



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 9.6

Meeting Date: October 3, 2024

Subject: **Approve Resolution No. 3448 – Supporting Proposition 2 – The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Department: Board of Education

Recommendation: The Superintendent recommends approval of Resolution No. 3448 – Supporting Proposition 2 – The *Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024*.

Background/Rationale:

Overview of Proposition 2:

- Authorizes a \$10 billion state General Obligation bond for facilities at K-12 schools and community colleges: *The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024*.
- Principal and interest is paid using existing state General Fund revenues and not through local tax increases. This allows voters to prioritize state funding for school facilities

Funding Breakdown:

- \$8.5 billion for K-12 schools
 - o \$4 billion for Modernization
 - Includes \$115 million for testing and Remediation of lead in water
 - Reserves up to 10% for small school districts
 - o \$3.3 billion for New Construction
 - o \$600 million for CTE facilities
 - o \$600 million for charter school facilities
- \$1.5 billion for community college capital outlay projects

Requirements for eligibility and enhancement opportunities:

- For a district to participate in the School Facility Program (SFP) it must submit a five-year school facilities master plan

- SFP grants may be used for advancing state energy goals, outdoor learning environments, school kitchens, TK and Preschool facilities, space for counselors and nurses, seismic retrofits, and broadband access.
- State Share Sliding Scale – Increases the maximum state share and reduces the local match for some projects. No project would receive less than the current state share. Projects can receive up to 16 total potential points for the increased match calculation across the following categories:
 - o Unduplicated LCFF Pupil percentage – up to 8 points
 - o Low gross bonding capacity – up to 4 points
 - o Very small schools (<200) – up to 2 points
 - o Projects using a Project Labor Agreement – up to 2 points

Transparency and Accountability Provisions:

- Requires a public hearing to discuss a project before the local governing board for submission to the state approves it.
- Independent performance audits
- Must post project and audit information on the school district website, including the location, estimated cost, and estimated timeline for completion

Impacts for Sacramento City Unified:

- Our department already has an estimated \$80 million in eligibility for Measure H projects but cannot be funded without the governor using general fund money or the passage of a new statewide school bond.
- We estimate we will have an additional \$100 million in eligibility for future projects which would be funded by a new statewide bond
- The new scoring criteria benefits Sacramento City Unified more than most due to the higher unduplicated LCFF pupil percentage
- The new scoring criteria benefits Sacramento City Unified more than most due to the Project Labor Agreement we already have in place.
- With local bonds passed, Sacramento City has matching funds and can begin construction sooner than other districts without matching funds ready
- The school district already has a bond oversight committee that completes the performance audit process with accounting
- We already have information regarding projects and dashboards ready for school projects for the website
- Not all projects would require a public hearing, but our largest projects that we would submit to the state for eligibility reimbursement are already presented to the board; adding a public hearing would have no new impact

Financial Considerations: Potential State Matching funds for eligible construction projects in estimation of \$100 million dollars.

LCAP Goal (s): Operational Excellence

Documents Attached:

1. Resolution No. 3448 –SUPPORTING PROPOSTION 2 *The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024*

Estimated Time of Presentation: 5 minutes

Submitted by: Chris Ralston, Assistant Superintendent, Facilities Support Services

Approved by: Janea Marking, Chief Business & Operations Officer
Lisa Allen, Superintendent

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 3448

RESOLUTION SUPPORTING PROPOSTION 2

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024

WHEREAS, the California Constitution finds public education is a State responsibility in Article IX Section 5; and

WHEREAS, the State is out of school facility program funds and cannot provide the State match for almost \$3.5 billion in projects which qualify for state aid; and

WHEREAS, the Sacramento City Unified School District has \$4 billion plus in facility need which may be partially funded by State bonds; and

WHEREAS, Proposition 2 the *Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024*, provides for renovation of aging schools, upgrade of existing classrooms, construction of new classrooms to accommodate growth, Career Technical Education facilities to provide job training to meet the workforce needs of California employers, testing and remediation of lead levels in water at school sites, disaster assistance, replacement of 75-year-old buildings, adding essential facilities like libraries and multipurpose rooms, mitigating the effects of higher average temperatures, and assistance for small and low-wealth school districts; and

WHEREAS, school districts need state financial support to implement new mandates and initiatives such as universal Transitional Kindergarten, Expanded Learning, on-site cooking and meal preparation, later secondary school start times, and solar power generation and storage; and

WHEREAS, quality 21st Century school facilities designed for today's and tomorrow's students enhance academic achievement and further the State's academic goals; and

WHEREAS, the California unemployment rate is greater than the national unemployment rate; and

WHEREAS, 13,000 middle class jobs are created for each \$1 billion in school facility infrastructure investment; and

WHEREAS, these jobs will be created throughout California and will include almost all building trades; and

WHEREAS, the Local Control Funding Formula provides funding for educational services for all students, but does not provide dedicated facilities funding; and

WHEREAS, Proposition 2, the *Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024* will not raise State taxes; and

WHEREAS, Proposition 2, the *Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024* enhances public accountability and transparency for the use of its proceeds; and

WHEREAS, Proposition 2, the *Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024* State matching funds will reduce the need for additional local property taxes for school facilities.

NOW, THEREFORE BE IT RESOLVED, that the Sacramento City Unified School District supports Proposition 2, the *Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024*.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of

Education on this 3 day of October 2024, by the following vote:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

Lisa Allen
Secretary of the Board of Education

Lavinia Grace Phillips
President of the Board of Education