



PROPOSITION 13:

EDUCATION FINANCE: SCHOOL FACILITIES: PUBLIC PRESCHOOL, K-12, and COLLEGE HEALTH and SAFETY BOND ACT of 2020.
Legislative Bond Act.

Secretary of State Ballot Summary:

- Authorizes \$15 billion for school and college facilities in California and would distribute the bond revenue as follows:
 - \$9 billion to Preschool and K-12:
 - \$2.8 billion for new construction of school facilities;
 - \$5.2 billion for modernization of school facilities;
 - \$500 million for providing school facilities to charter schools;
 - \$500 million for facilities for career technical education programs;
 - \$4 billion to Universities
 - \$2.0 billion for the capital outlay financing needs of the California State University;
 - \$2.0 billion for the capital outlay financing needs of the University of California and Hastings;
 - \$2 billion in capital outlay financing needs of community colleges.
- Requires the state Department of General Services to consider several factors when determining which modernization and construction applications to prioritize.
- Requires the CSU Board of Trustees and the UC Regents to adopt five-year affordable student housing plans for campuses that seek bond funds.
- Establishes the 2020 State School Facilities Fund within the state treasury.

Background:

When needed, the Legislature has placed on the ballot bonds for public higher education. The last state bond, Proposition 51 approved by voters in November 2016, was passed ten years after the prior bond. Proposition 51 authorized a total of \$9 billion in state general obligation bond and those funds are already fully subscribed and no new applications for funding will be accepted.

California educates approximately 6 million students from grades K-12 in 10,000 schools in 1,000 school districts throughout the state. The OPSC has estimated that California needs up to \$16 billion to build and modernize new and existing schools. The California Community Colleges are estimated to need over \$3 billion every two years to keep up with facility needs.

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Legislative Analyst and Director of Finance estimate of fiscal impact:

Increased state costs to repay bonds estimated at about \$740 million per year (including interest) over the next 35 years.

Support and Opposition:

Supporters argue that 6 million students in California attend schools that are crumbling, unsafe and in disrepair. They point to studies that show student performance is improved in schools that are clean, comfortable and safe, arguing that an investment in school facilities is an investment in student success. Proposition 51 is already oversubscribed and still does not meet the state's school facility needs. They also contend that a school bond will spur the economy since 13,000 jobs are created for each \$1 billion of state infrastructure investment.

There is no known opposition to this measure at the time of this analysis.

Prior Positions:

The Federation supported all the school facilities bonds on the ballot since 2000—in 2002, 2004, 2006 and 2016.

A YES vote on this measure means:

Voters authorize the state to issue \$15 billion in general obligation bonds for school and college facilities, including \$9 billion for preschool and K-12 schools, \$4 billion for universities, and \$2 billion for community colleges.

A NO vote on this measure means:

Voters do not authorize the state to issue bonds for construction and modernization of school facilities.