

School Energy NewsWire

A Newsletter for Efficient & Climate Friendly Schools

SEC PARTICIPATES IN PROPOSITION 39 IMPLEMENTATION EVENTS: KEEPING THE FOCUS ON SCHOOLS

STATE ASSEMBLY BUDGET SUBCOMMITTEE #2 ON EDUCATION FINANCE

On Tuesday, March 19, 2013, the Assembly Budget Subcommittee #2 on Education Finance was supposed to hear testimony from state agencies on the higher education elements of Proposition 39. However, imbedded in that agenda was a discussion of the Governor's proposal to apply tax revenue from Proposition 39 to the State's General Fund, thus meeting the Proposition 98 minimum guarantee.

Assemblywoman Bonilla (D-Concord), Chair of the Subcommittee, called representatives of the following state agencies to testify on the Proposition 39 proposal: Department of Finance; Legislative Analyst's Office; California Department of Education; and the California Community Colleges Chancellor's Office .

In the write-up for the hearing, Budget Subcommittee staff highlighted the fact that the Department of Finance and the Legislative Analyst's Office do not agree on Proposition 98 calculations.

The Department of Finance's view is that, unless expressly excluded, proceeds from taxes deposited in the General Fund are to be used in the calculation of Proposition 98. Therefore, the Governor's budget includes all revenue raised by Proposition 39 toward the Proposition 98 minimum guarantee. This treatment has the effect of increasing the Proposition 98 base by \$426 million in 2012-13 and \$520 million in 2013-14.

The LAO disagrees with the Governor's treatment of these revenues calling it "a serious departure from our long-standing view, which we developed over many years with guidance from Legislative Counsel, of how revenues are to be treated for the purposes of Proposition 98."

Key Dates in the Legislature

Proposition 39 implementing legislation is also moving. AB 39 (Skinner) and SB 39 (DeLeon) have been amended. Stay tuned for SEC member emails for key ways to get involved on our advocacy efforts.

April 4: Joint Hearing Budget and Fiscal Review
Subcommittee No. 1 on Education, Budget and Fiscal Review
Subcommittee No. 2 on Resources, Environmental Protection,
Energy and Transportation (Block and Beall, Chairs)

9:30 a.m. or upon adjournment of session — Room 3191

Item Description

SUBJECT: Governor's 2013-14 Budget Proposals: K-14 Education

April 10: SB 39 will be heard at 9:30 a.m. in the Senate Education Committee

April 24, 2013 hearing of the Assembly Budget Subcommittee #3 on Resources and Transportation – Focusing on energy issues and the allocation of funding to school projects only under Proposition

39.

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Keep the Focus on Schools (Cont.)

Not to be taken lightly, under the LAO interpretation, the minimum guarantee would be roughly \$260 million lower in 2013–14 than the Governor’s budget.

As SEC has reported, the Governor proposes to allocate all Proposition 39 energy-related funding over the next five years exclusively to school and community college districts (\$450 million in 2013–14 and an estimated \$550 million annually for the next four years). For 2013–14, the Governor’s budget proposes to provide school districts with \$400.5 million and community college districts with \$49.5 million.

The Governor’s proposed trailer bill language would allocate these funds on a per ADA basis. According to the LAO, in 2013–14, school districts and community college districts would receive \$67 and \$45 per student, respectively.

The trailer bill language further directs the California Department of Education (CDE) and Chancellor’s Office to issue guidelines for prioritizing the use of the funds. CDE and the Chancellor’s Office could consult with CEC and CPUC in developing these guidelines. Upon project completion, school districts and community college districts would report their project expenditure information to CDE and the Chancellor’s Office, respectively.

CDE State Operations. The Governor’s budget proposes to provide CDE with one permanent position (\$109,000) to help implement and oversee the Proposition 39 program. The Governor proposes no additional positions for the California Community College (CCC) Chancellor’s Office for the administration of Proposition 39.

LAO Alternative. Consistent with their view of how revenues are to be treated for the purposes of calculating the minimum guarantee, the LAO recommends the Legislature exclude from the Proposition 98 calculation all Proposition 39 revenues required to be used on energy-related projects.

This approach would reduce the minimum guarantee

by roughly \$260 million. In addition, the LAO recommends the Legislature reclassify the \$450 million to be spent on energy-related projects as a non-Proposition 98 expenditure. The LAO contends that this proposal would “result in an additional \$190 million in operational funding” for K-14 schools. Of the major educational organizations so far, only CSBA has gone on the record in support of this idea.

During the public comment period the *School Energy Coalition* made the following points regarding the Governor’s proposal:

- No one-size-fits-all for schools.
- Schools each have different needs and characteristics. We believe that districts are in the best position to determine what is best for their local sites.
- Funding should flow to the projects and schools should have the flexibility to put together their own teams and leverage funding as they do with school facility construction all over the state.
- We recognize the challenges of the smaller school districts.
- We support the Governor’s proposal that provides all the funding for energy projects to K-14 and look forward to participating in the upcoming budget discussions on Proposition 39 implementation for K-12.

Up Next: The April 24, 2013 hearing of the Assembly Budget Subcommittee #3 on Resources and Transportation – will have a more focused conversation on the energy project issues and the allocation of the funding to schools only under Proposition 39.



PROPOSITION 39 WORKSHOP

On Friday, March 8, 2013, SEC was invited to attend a meeting with a group of energy practitioners and key stakeholders at NRDC's offices in San Francisco to share information on existing programs and best practices for energy efficiency improvements in K-12 schools.

The goal of the workshop was "to help develop a common knowledge base and understanding of key stated opportunities and obstacles in order to support the development of an effective implementation approach and maximize the benefits of Proposition 39 funds."

The meeting was kicked off by Kate Gordon who works with financier Tom Steyer. Steyer sheperded the language on Proposition 39 implementation and primarily financed the Proposition 39 campaign.

Kate shared with the group that they believe schools are the appropriate place for the funding and that a state focus on one class of buildings, such as K-12, is smart, and will make it easy to measure progress and evaluate success.

Ms. Gordon also shared her belief that the projects must:

- Maximize energy savings
- Be client-driven
- Be "Best in Class"

Finally she stressed that, if done correctly, California can again be a leader in clean energy as we have in the past.

The group then discussed a number of goals, challenges and concerns. Schools are not created equal and many will need technical assistance or best practice guidance so that they enter into good contracts and are cost-effective. Schools do not want to wind up in the press for bad projects or wasting dollars.

Utilities were also in attendance and shared their interest in providing technical assistance and accountability for the funding. SEC contributed thoughts on keeping the program flexible with the least amount of bureaucracy. We would support working with utilities if schools in IOU territories want to do that, but not to make it mandatory.

Core questions to answer going forward:

- Technical Assistance
- Workforce Quality
- Measurement and Verification
- Target Some Funds to Neediest Schools for technical assistance and/or assessments.
- Local bonds and other dollars that could be leveraged for funding
- Revolving loan funds or financing that would replenish and get beyond the program's five years

SEC has been invited to participate in working groups related to the potential inventory database for schools and on the cost-effectiveness and non-energy benefits of these projects.



EDUCATIONAL FACILITIES ENERGY EMPORIUM

Doubletree Hotel, May 2
2001 Point West Way, Sacramento, CA

Sheraton Fairplex Hotel and Conference Center, May 9
601 W. McKinley Ave., Pomona, CA

*This is a FREE event not to be missed by those districts & colleges
looking to ensure future local funding for their district!*

Energy projects for California's schools result in real utility bill savings. These are dollars that can be spent to meet the budget challenges schools are now facing while improving the learning environment in the communities we serve.

Proposition 39, which voters approved this past November, is a new source of state revenue that has been targeted toward public clean energy projects and could potentially provide hundreds of millions of dollars to schools for energy-related facility projects over the next five years.



SPECIAL GUEST
Kate Gordon, Vice President & Director, Energy & Climate Program, Next Generation founded by Tom Steyer, Financier and Chair of the Campaign for Proposition 39.

Kate will share her insight on Proposition 39 and the broader vision for world class energy projects in school buildings throughout the state. Gordon is a nationally recognized expert on the intersection of clean energy and economic development, most recently as Vice President for Energy and Environment at the Center for American Progress (CAP) in Washington D.C. She has worked on a variety of economic development and social justice issues for more than 15 years and is regarded as a leader in the national "green jobs" movement.

Kate leads the Energy & Climate team at the Next Generation, developing policies and communications strategies to combat climate change and move the U.S. to a clean energy economy.

Schools will receive answers to these pressing questions:

- How do you best analyze your current use, and determine the best course of action for your energy use?
- Determining your load schedule for maximum utility bill savings.
- What energy technologies and systems provide the best return on investment?
- What are the key questions and data points you need to broker successful energy contracts?
- Best practices for RFPs
- How to incorporate ongoing maintenance and operations.

The Emporium will focus on assisting schools in using Proposition 39 dollars in the most expedient and cost effective manner. This event will provide schools with important information, answer your hard questions, and provide details and resources to put a project together, create timelines with regard to project construction, address M&O issues, and ways to monitor the savings you hope to achieve over the lifetime of a project.

Sign up today with the attached registration form or visit the Coalition for Adequate School Housing website to register online at: http://www.cashnet.org/meetings/2013_Workshops/May13Workshops.html

SCHOOL ENERGY COALITION

Membership Application

Yes! I wish to become a member of the School Energy Coalition (SEC). Please enter my yearly membership at the following fee:

FEES:

- Local Education Agencies (includes Districts, COEs, Community Colleges) \$250 per year
- Small School Districts (Less than 2,500 ADA & Charter Schools) \$100 per year
- Businesses/Associates \$750 per year

Contact Name _____ Date _____

Title _____

Organization _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

E-mail _____

Payment Method:

Check # _____ P.O. # _____

Please mail or fax to:
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