

West Contra Costa Unified School District
Facilities Subcommittee Meeting
February 12, 2013

Proposition 39 Update



Presentation Overview

- What is Proposition 39?
- Implementation Status
- Benefits to WCCUSD
- Next Steps for WCCUSD

What is Proposition 39?

- **In November 2012, California voters passed Proposition 39 which requires businesses to calculate their California income tax liability based upon the percentage of their sales within the state**
- **Its passage closed a loophole which previously allowed these businesses to avoid paying a fair share of sales tax**
- **Anticipated to generate approximately \$1.1 billion per year in increased State revenue**

What is Proposition 39?

- **Proposition 39 also established the Clean Energy Job Creation Fund**
- **Half of the revenue increase to be generated from this change (up to \$550 million per year) is to be transferred from the state's General Fund into the Clean Energy Job Creation Fund for 5 consecutive years, beginning in 2013 (Budget estimates \$450M for 2013)**
- **These funds are to be used for the purpose of funding projects that create jobs in California, improving energy efficiency, and expanding clean energy generation for public school facilities, universities and colleges, and other public buildings**

Implementation Status

- There have been three legislative proposals introduced to further describe and implement Proposition 39:
 - **AB 39 – Introduced by Assembly Member Nancy Skinner**
 - **SB 39 – Introduced by Senator Kevin DeLeon**
 - **Governor’s Proposed Budget**

AB 39 Proposal

Administration	Program administered by California Energy Commission
Funding Type	Focus on grant funding, no interest loans, and “other assistance”
Project Type	Focus on efficiency and generation projects
School Eligibility	Focus on public schools or districts providing K-12 instruction
Project Priorities	Priority to projects based upon the age of the facility, year round program, potential for energy demand reduction, and the school’s energy score
Portion for Schools	Unknown percentage of funding for schools
Audit	Audit to be performed by a Citizen’s Oversight Board

SB 39 Proposal

Administration	Program administered by Office of Public School Construction (OPSC)
Funding Type	Focus on grant funding
Project Type	Focus on efficiency projects
School Eligibility	Focus on schools in economically disadvantaged areas in need of modernization
Project Priorities	Priority to projects with above average energy consumption, to districts with less experience in energy efficiency improvements, to projects with joint partnerships, and student involvement
Portion for Schools	Unknown percentage of funding for schools
Audit	Audit to be performed by OPSC

Governor's Proposal

Administration	Program administered by California Department of Education
Funding Type	Focus on Per Pupil (ADA) funding, currently estimated to be \$67 per student
Project Type	Focus on efficiency or generation projects
School Eligibility	Focus on K-12 schools and community colleges
Project Priorities	Priority based upon the State's Energy Loading Order: 1) decreasing electricity demand by increasing efficiency, 2) reducing energy usage during peak hours, 3) using renewable resources to meet new energy generation needs, and 4) using clean fossil-fueled generation to meet new energy generation needs
Portion for Schools	100% of funding goes to school projects
Audit	Audit to be performed by Citizen's Oversight Board

Benefits to WCCUSD

Each of the plans would provide options for WCCUSD.

AB 39 Proposal	Some of the District's older schools would get priority. The District could pursue both efficiency and generation projects.
SB 39 Proposal	Eligibility based upon economically disadvantaged schools in need of modernization. District is familiar with OPSC processes.
Governor's Proposal	With CBEDS Enrollment (2011-12) of 29,883 K-12 students, the District could be eligible for approximately \$2 million per year (for five years) under the Governor's proposal.

Next Steps for WCCUSD

- Continue to monitor progress of implementation
- Review current project efforts to determine potential funding areas
- Participate in the implementation discussion
- Bring energy projects forward for consideration

Questions

