

SCHOOL BOND SALES AND CONSTRUCTION IS STALLED IN CALIFORNIA

ISSUE: The Governor's 2018-19 Budget Further Stalls School Construction and Modernization

California needs to build new schools and modernize existing facilities to meet the educational needs of our state's children in grades K-12. Proposition 51 was passed by the voters in 2016 authorizing \$9.3B in state general obligation bonds to support new construction and modernization of school facilities. The current backlog of State Architect approved funding requests at the Office of Public School Construction stands at \$3.2B. Yet the Governor only proposes to support the sales of \$640M in FY 2018-19. This small bond sale will only support 20% of existing shovel-ready projects and only 9% of voter authorized work on schools.

KEY POINTS:

- **The Governor's budget only supports the sale of \$640M of state school bonds** in FY 2018-19; or enough to cover 20% of these shovel-ready projects and 9% of K-12 facility construction authorized by voters in 2016.
- **The State's obligation to schools is embedded in the Constitution**, which states that students shall have equal access to "safe, secure, and peaceful" schools. [California Constitution, Article 1, Section 28 (f)].
- **New facilities are desperately needed** in districts with population growth and existing school facilities that are aged require immediate updates and repairs to ensure the health and safety of students.
- **Schools need to build CTE facilities** and labs to provide students alternative pathways to future careers.
- **A backlog of \$3.2B of local school facility projects** is already approved by the State Architect and the California Department of Education Facilities Division and sits waiting for approval and funding by the State Allocation Board (SAB). The SAB won't fund these projects until the bonds are sold.
- **School construction creates high-paying construction jobs** and each \$1.0 billion in construction creates at least 13,000 jobs.

BUDGET REQUEST

Will the Legislature include in the FY 2018-19 Budget an additional \$20M from the general fund (above the Governor's FY 2018-19 proposal) to support the sales of an additional \$2.36B in bonds (\$3B total w/ Governor's \$640M) between now and the end of 2019 to meet the current backlog of school construction and renovation needs in the state?

BUDGET ACTION NEEDED:

Appropriate an additional \$20 million to Item 9600 of the Governor's Proposed Budget for the purpose of paying school bond debt service for the additional sale of \$2.36 billion in bond sales in FY 2018-19.

POSITION: SUPPORT

ABOUT CAL SMACNA

California Association of Sheet Metal and Air Conditioning Contractors, National Association (CAL SMACNA) is a non-profit trade association representing over 600 union sheet metal and air conditioning contractors who employ more than 25,000 men and women throughout the state of California. These contractors perform commercial and residential heating, ventilating, and air conditioning; architectural and industrial sheet metal; as well as stainless kitchen equipment, manufacturing, testing and balancing, siding and decking. Our mission is to provide legislative and regulatory advocacy and program services. Our goal is to help unify the voice of our industry for the combined benefit of our companies, our employees, our communities and our industry.