

AMENDED IN ASSEMBLY JULY 1, 2004
AMENDED IN ASSEMBLY MAY 10, 2004
AMENDED IN ASSEMBLY MARCH 23, 2004
AMENDED IN ASSEMBLY JUNE 19, 2003
AMENDED IN SENATE MAY 12, 2003
AMENDED IN SENATE APRIL 22, 2003

SENATE BILL

No. 409

Introduced by Senator Hollingsworth

**(Coauthors: Senators Alpert, Battin, Denham, Ducheny,
Johnson, Margett, *Torlakson*, and Vincent)**

(Coauthors: Assembly Members Bates, Benoit, Bogh, Cogdill,
Daucher, ~~Haynes, Pacheco~~ *Frommer, Haynes, Pacheco, Samuelian,*
and Spitzer)

February 20, 2003

An act to amend Section 17070.75 of the Education Code, relating to school finance, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 409, as amended, Hollingsworth. School facility maintenance costs.

Existing law, the Leroy F. Greene School Facilities Act of 1998 (the Greene Act of 1998), requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including

hardship funding, and supplemental funding for site development and acquisition.

Existing law requires the board to require school districts that receive funding under the Greene Act of 1998 to establish a restricted account within the school district’s general fund and to deposit an amount equal to 3% of the school district’s general fund, *including other financing uses*, into the ~~fund~~ *account* for maintenance of school facilities. ~~Existing law requires that, for a county office of education, the 3% calculation be based upon the general fund less any restricted accounts. Existing law provides that annual deposits into the account in excess of 2½% of the district’s general fund budget may count towards the amount that a school district is required to contribute in order to receive an apportionment from the State School Deferred Maintenance Fund.~~

~~This bill would require the 3% calculation for both school districts and county offices of education to be based on general fund expenditures less any restricted accounts for a school district or county office that receives funds under the Greene Act of 1998, for the 2004–05 fiscal year only, would reduce the amount required to be deposited into the restricted account to 2% of a district’s general fund expenditures, including other financing uses. The bill would provide that for that fiscal year, the annual deposit into the restricted account in excess of 1½% of the district’s general fund budget may count towards the amount that a school district is required to contribute in order to receive an apportionment from the State School Deferred Maintenance Fund.~~

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17070.75 of the Education Code is
- 2 amended to read:
- 3 17070.75. (a) The board shall require the school district to
- 4 make all necessary repairs, renewals, and replacements to ensure
- 5 that a project is at all times maintained in good repair, working
- 6 order, and condition. All costs incurred for this purpose shall be
- 7 borne by the school district.



1 (b) In order to ensure compliance with subdivision (a) and to
2 encourage school districts to maintain all buildings under their
3 control, the board shall require an applicant school district to do
4 all of the following prior to the approval of a project:

5 (1) Establish a restricted account within the school district's
6 general fund for the exclusive purpose of providing moneys for
7 ongoing and major maintenance of school buildings, according the
8 highest priority to funding for the purposes set forth in subdivision
9 (a).

10 (2) (A) Agree to deposit into the account established pursuant
11 to paragraph (1), in each fiscal year for 20 years after receipt of
12 funds under this chapter, a minimum amount equal to or greater
13 than 3 percent of the applicant school district's total general fund
14 expenditures ~~less any restricted accounts, including other~~
15 *financing uses*, for that fiscal year. Annual deposits to the ~~fund~~
16 *account* established pursuant to paragraph (1) in excess of 2¹/₂
17 percent of the school district general fund budget may count
18 towards the school district's matching funds requirement
19 necessary to receive apportionments from the State School
20 Deferred Maintenance Fund pursuant to Section 17584 to the
21 extent that funds are used for purposes that qualify for funding
22 under that section. ~~In addition, any~~

23 (B) *Notwithstanding subparagraph (A), for the 2004–05 fiscal*
24 *year only, an applicant school district shall deposit into the*
25 *account established pursuant to paragraph (1), no less than 2*
26 *percent of the school district's total general fund expenditures,*
27 *including other financing uses, for the fiscal year. The annual*
28 *deposit to the account in excess of 1¹/₂ percent of the school district*
29 *general fund budget for the 2004–05 fiscal year may count towards*
30 *the amount that a school district is required to contribute in order*
31 *to receive apportionments from the State School Deferred*
32 *Maintenance Fund pursuant to Section 17584 to the extent that*
33 *funds are used for purposes that qualify for funding under that*
34 *section.*

35 (C) A school district contribution to ~~this fund~~ *the account* may
36 be provided in lieu of meeting the ongoing maintenance
37 requirements pursuant to Section 17014 to the extent the funds are
38 used for purposes established in that section. A school district that
39 serves as the administrative unit for a special education local plan
40 area may elect to exclude from its total general fund expenditures,



1 for purposes of this paragraph, the distribution of revenues that are
2 passed through to participating members of the special education
3 local plan area. ~~This~~

4 (D) *This* paragraph applies only to the following school
5 districts:

6 ~~(A)–~~

7 (i) High school districts with an average daily attendance
8 greater than 300 pupils.

9 ~~(B)–~~

10 (ii) Elementary school districts with an average daily
11 attendance greater than 900 pupils.

12 ~~(C)–~~

13 (iii) Unified school districts with an average daily attendance
14 greater than 1,200 pupils.

15 (3) Certify that it has publicly approved an ongoing and major
16 maintenance plan that outlines the use of the funds deposited, or
17 to be deposited, pursuant to paragraph (2). The plan may provide
18 that the school district need not expend all of its annual allocation
19 for ongoing and major maintenance in the year in which it is
20 deposited if the cost of major maintenance requires that the
21 allocation be carried over into another fiscal year. However, any
22 state funds carried over into a subsequent year may not be counted
23 toward the annual minimum contribution by the school district. A
24 plan developed in compliance with this section shall be deemed to
25 meet the requirements of Section 17585.

26 (c) A school district to which paragraph (2) of subdivision (b)
27 does not apply shall certify to the board that it can reasonably
28 maintain its facilities with a lesser level of maintenance.

29 ~~(d) For purposes of this section, “school district” includes both
30 a school district and a county office of education.~~

31 (d) *For purposes of calculating a county office of education
32 requirement pursuant to this section, the 3 percent maintenance
33 requirement shall be based upon the county office of education
34 general fund less any restricted accounts.*

35 SEC. 2. This act is an urgency statute necessary for the
36 immediate preservation of the public peace, health, or safety
37 within the meaning of Article IV of the Constitution and shall go
38 into immediate effect. The facts constituting the necessity are:



1 In order to avoid imposing significant unexpected budget
2 obligations upon school districts, it is necessary for this act to take
3 effect immediately.

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