

Date of Hearing: May 13, 2015

ASSEMBLY COMMITTEE ON EDUCATION

Patrick O'Donnell, Chair

AB 882 Wilk – As Amended May 6, 2015

SUBJECT: School bonds: portable electronic devices.

SUMMARY: Specifies that proceeds from the sale of local bonds approved by voters after January 1, 2016, authorized and issued pursuant to Proposition 39 of 2000, may be used to purchase portable electronic devices only for furnishing and equipping classrooms and school facilities. Specifically, **this bill:**

- 1) Specifies that portable electronic devices purchased with proceeds from the sale of bonds pursuant to Proposition 39 of 2000 shall only be used for instruction-related purposes in school facilities and shall not be assigned to individual students or removed from the schoolsite on a daily basis.
- 2) Specifies that the term of a bond used for the purposes of furnishing and equipping of classroom, including, but not limited to, electronic equipment, shall not exceed 120% of the average reasonably expected economic life of the furnishings and equipment.
- 3) Expresses the intent of the Legislature to ensure that the proceeds of bond funds issued pursuant to Proposition 39 of 2000 be used consistent with the intent and requirements of the act, and expresses the intent of the Legislature to clarify that portable electronic devices, such as laptops, tablets, and iPads, may be purchased with Proposition 39 bond funds only for the equipping of school facilities and be used for instruction-related purposes in school facilities.

EXISTING LAW:

- 1) Authorizes, under Section 1 of Article XIII A of the California Constitution, school districts, community college districts, or county offices of education to pass a general obligation (GO) bond by a 55% vote, provided that the local initiative includes the following accountability measures:
 - a) A requirement that the proceeds from the sale of the bonds be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose.
 - b) Provide a list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education (COE) has evaluated safety, class size reduction, and information technology needs in developing that list.
 - c) A requirement that the school district board, community college board, or COE conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

- d) A requirement that the school district board, community college board, or COE conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.
- 2) Authorizes, under Article XVI, Section 18 of the California Constitution, a school district, community college district or COE to incur indebtedness in the form of GO bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities upon approval of 55% of the voters.

FISCAL EFFECT: None. This bill is keyed non-fiscal by the Legislative Counsel.

COMMENTS: *Proposition 39.* In November, 2000, voters passed Proposition 39, a Constitutional Amendment which, among others, give school districts and community colleges the opportunity to seek approval of a local GO bond based on a 55% vote rather than a 2/3 vote, provided that the local bond initiative meets specified accountability measures, including identifying the list of specific school facilities projects that will be funded by bond proceeds and the requirement to conduct an annual independent performance audit and an independent financial audit.

This bill specifies that local bonds can be used to purchase portable electronic devices for furnishing and equipping of school facilities and be used for instructional purposes. The provision specifying that the devices shall not be removed from the schoolsite on a daily basis was included to enable students to take the devices off campus for special projects or for short term basis.

Furnishing and equipping school facilities. Local educational agencies use bond funds to furnish and equip school facilities, including furniture, such as desks, and equipment, such as desktop computers. According to the Legislative Counsel, portable electronic equipment is a type of equipment that is allowable under Proposition 39. While portable electronic devices such as the iPads were not in existence when Proposition 39 was passed, they are evolved from desktop computers and as such, a court would construe Proposition 39 to authorize portable electronic devices. However, the equipment must be a part of equipping classrooms and school facilities and be used in connection with instruction in the classroom. This bill is consistent with the provisions in Proposition 39 and *does not* prohibit the use of Proposition 39 bond proceeds to purchase technology.

Technology. Many school districts have embarked on new technology programs, partly in response to the new Common Core State Standards and the accompanying Smarter Balanced assessments. The new assessments are computer-based and began in the 2014-15 school year. In 2013, the Los Angeles Unified School District (LAUSD) launched the first phase of the Common Core Technology Project, which provided iPads to 31,000 students and 1,500 teachers at 47 schools. The iPads are installed with English and math curriculum and are assigned as personal devices to pupils, who are allowed to take the devices home. The district has since suspended the project.

San Diego Unified School District implemented a technology program several years ago through the passage of two local bonds. The district upgraded technology in the classrooms and purchased portable electronic devices. The devices are used in the classrooms, but the district

also allows pupils to take the devices home and provides internet coverage to families that do not have access.

Other school districts have purchased other types of portable electronic devices, such as the Chromebooks or MacBook Air laptops. Most school districts are not assigning devices to each student, and instead are rolling them into classrooms on carts.

Term of bonds. This bill also specifies that the issuance of local bonds used to furnish and equip classrooms cannot exceed 120% of the life expectancy of the items being purchased. Under the Education Code, the term of local bonds cannot exceed 25 years, while bonds issued under the Government Code is no more than 40 years. State law does not differentiate between bonds for buildings versus bonds for furnishing and equipping of facilities. This bill is consistent with federal tax rules to ensure that taxpayers are not paying long term bonds for items that have shorter lifespan, and will reduce costs for these purchases.

Arguments in support. The author states, "... local educational institutions have been using Prop 39 bond funds to purchase non-facility related items with much shorter usable life, while still taking decades to pay them off. One example is the purchase of thousands of iPads by the Los Angeles Unified School District in 2013, a cost to the taxpayers of \$500 million. These iPads have an estimated usable life of only 5 years. Inasmuch as Prop 39 bonds are meant for construction and modernization of school facilities, they are meant to fund projects that have a long usable life, and can take decades to pay off. This measure will protect taxpayer dollars by ensuring that Prop 39 bond funds are used for the appropriate purposes and are directed toward projects that have a longer usable life and are justified in being paid off over a long period of time."

Arguments in opposition. The Riverside County Superintendent of Schools states, "We believe that if voters are informed of, and subsequently approve, local bonds that in part may be used to equip the students in their communities with technology and devices that will enhance their educational experience and provide greater access to the content standards they are required to learn, school districts should not be precluded from using bonds as a source of funding."

Author's amendments. The author has requested the Committee to adopt an amendment striking Section 2 of the bill.

Prior related legislation. AB 1754 (Hagman), introduced last session, would have been amended to be consistent with the provisions of this bill if passed by this Committee. The bill failed on a 3-0 vote.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of County Treasurers and Tax Collectors (prior version)
California Association of Realtors (prior version)
Howard Jarvis Taxpayers Association (prior version)

Opposition

California School Boards Association (prior version)

Coalition for Adequate School Housing (unless amended)
Riverside County Superintendent of Schools
San Diego Unified School District

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