

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON EDUCATION
Darshana R. Patel, Chair
AB 2726 (Fong) – As Amended March 16, 2026

[Note: This bill is double referred to the Assembly Higher Education Committee and will be heard by that Committee as it relates to issues under its jurisdiction.]

SUBJECT: School facilities: disposal of surplus technology property

SUMMARY: Authorizes the governing board of a school district, county office of education (COE), and community college to declare technology to be surplus technology property and the school district, county superintendent of schools, or community college district to dispose of that surplus technology property by specified methods, if authorized by a policy adopted by the governing board of the school district, county board of education, or community college. Specifically, **this bill:**

- 1) Authorizes the governing board of a school district, COE, and community college to declare school district, COE, or community college-owned technology to be surplus technology property and the school district, county superintendent of schools, or community college district to dispose of that surplus technology property by any of the following methods, if authorized by a policy adopted by the governing board of the school district, county board of education, or community college:
 - a) Sale by public auction, including online auction;
 - b) Sale by sealed bid;
 - c) Sale or transfer through a structured trade-in or buyback program with a vendor, manufacturer, or other third-party purchaser, including where the value of the surplus technology is applied as a credit against the purchase price or lease payments for replacement technology; and
 - d) Negotiated sale to a public agency, nonprofit organization, or private entity, if the governing board of the school district, county board of education, or the governing board of the community college determines that the negotiated sale is in the best interest of the school district, COE, or community college and is reasonably calculated to yield fair market value under the circumstances.
- 2) Requires, before disposing of surplus technology property as specified, the governing board of the school district, county board of education, or the governing board of the community college district to adopt policies and procedures that, at minimum, address all of the following:
 - a) A process for determining that technology is no longer required for school purposes, is to be disposed of for the purpose of replacement, or is unsatisfactory or not suitable for school or community college use;

- b) Reasonable methods to ensure competition or market testing;
 - c) Compliance with all applicable state and federal requirements for the protection of pupil and employee data, including secure data deletion, device wiping, and verification of destruction or sanitization before transferring technology to a third party; and
 - d) Procedures to ensure that technology acquired in whole or in part with state or federal categorical funds is disposed of in a manner consistent with conditions attached to those funds.
- 3) Requires, to the extent practicable, a school district, county superintendent of schools, or community college district to structure the disposition of surplus technology in a manner that does both of the following:
- a) Maximizes the net proceeds or value returned to the school district, COE, or community college, including through trade-in or buyback arrangements;
 - b) Minimizes electronic waste and promotes environmentally responsible recycling, refurbishment, and reuse.
- 4) States that this authorization does not limit any existing authority for the disposition of personal property, as specified.
- 5) Defines “technology” to mean any device, computer, tablet, laptop, desktop, server, network hardware, peripheral equipment, operating system, application or instructional software, mobile device, or related accessory, service, or license acquired primarily for instructional, administrative, or operational use by a school district, COE, or community college.

EXISTING LAW:

- 1) Authorizes the governing board of any school district to sell for cash any personal property belonging to the district if the property is not required for school purposes, or if it should be disposed of for the purpose of replacement, or if it is unsatisfactory or not suitable for school use. Prohibits a sale until notice has been given by posting in at least three public places in the district for not less than two weeks, or by publication for at least once a week for a period of not less than two weeks in a newspaper published in the district and having a general circulation there. Requires, if there is no such newspaper, then in a newspaper having a general circulation in the district; or if there is no newspaper, then in a newspaper having a general circulation in a county in which the district or any part thereof is situated. Requires the board to sell the property to the highest responsible bidder, or to reject all bids. (Education Code (EC) 17545)
- 2) Authorizes the governing board to choose to conduct any sale of personal property authorized under this section by means of a public auction conducted by employees of the district or other public agencies, or by contract with a private auction firm. Authorizes the board to delegate to the district employee responsible for conducting the auction the authority to transfer the personal property to the highest responsible bidder upon completion of the auction and after payment has been received by the district. (EC 17545)

- 3) Authorizes, if the governing board of a school district, by a unanimous vote of those members present, finds that the property, whether one or more items, does not exceed in value the sum of \$2,500, it to be sold at private sale without advertising, by any employee of the district empowered for that purpose by the board. Authorizes any item or items of property having previously been offered for sale pursuant to 1) and 2), but for which no qualified bid was received, to be sold at private sale without advertising by any employee of the district empowered for that purpose by the board. Authorizes, if the board, by a unanimous vote of those members present, finds that the property is of insufficient value to defray the costs of arranging a sale, the property to be donated to a charitable organization deemed appropriate by the board, or to be disposed of in the local public dump on order of any employee of the district empowered for that purpose by the board. (EC 17546)
- 4) Requires the money received from the sale of personal property to be placed to the credit of the fund from which the original expenditure for the purchase of the property was made or in the general or reserve fund of the district. (EC 17547)
- 5) Authorizes the governing board of any school district to dispose of personal property belonging to the district for the purpose of replacement by providing in the notice calling for bids for furnishing new materials, articles, or supplies that each bidder to agree in their bid to purchase the property being replaced and to remove it from the school grounds and requires in bid the stated amount which they will deduct from the price bid for furnishing new materials, articles, or supplies as the purchase price for the personal property being purchased from the district. Requires the board to let the contract to any responsible bidder whose net bid is the lowest, or to reject all bids. (EC 17548)
- 6) Requires the county superintendent of schools not to dispose of any item of personal property worth over \$25,000 that belongs to the COE in any manner without meeting the following conditions:
 - a) Obtaining an independent valuation of the property;
 - b) Advertising the property for sale in a newspaper of general circulation within the district, or, if there is no newspaper of general circulation within the district, in any newspaper of general circulation that is regularly circulated in the district. The advertisement shall be published for a period of time in accordance with the policy of the county board of education;
 - c) Bringing the matter to the attention of the county board of education for its discussion at a regularly scheduled public meeting and
 - d) Obtaining the approval of the county board of education. (EC 1279)
- 7) Prohibits the county superintendent of schools from disposing of any personal property worth less than \$25,000 that belongs to the COE unless they certify the value of the property in a quarterly report and submits that report to the county board of education for its review. (EC 1279)

- 8) Requires the governing board of each school district, to establish and maintain a historical inventory, an audit trace inventory system, or any other inventory system authorized by the State Board of Education (SBE), to contain the description, name, identification numbers, and original cost of all items of equipment acquired by it whose current market value exceeds \$500 per item, the date of acquisition, the location of use, and the time and mode of disposal. Authorizes a reasonable estimate of the original cost to be used if the actual original cost is unknown. (Education Code 35168)

FISCAL EFFECT: Unknown

COMMENTS:

Need for the bill. According to the author, “Today’s students rely on technology to learn and teachers use multimedia channels for teaching. School districts that do not upgrade technology disadvantage teachers and students when equipment break down, operate inefficiently, or do not contain the most modern programs. Existing law establishes a process for disposing surplus real property such as school buildings or land, but does not provide a process for disposing surplus technology such as computers or laptops. AB 2627 establishes a process for school districts, county offices of education and California Community College Districts to dispose surplus technology, including the opportunity to participate in trade-in or buy back programs. These programs help reduce waste while allowing school districts to leverage surplus property to reduce costs for new equipment.”

Key provisions of the bill. This bill would clarify an authorization and process for school districts, COEs, and community college districts to sell surplus technology property. There appears to be confusion in the field regarding the authorization to sell surplus technology property, specifically if a structured trade in or buyback program with a third-party vendor is permissible.

This bill would authorize, if a school district, COE, or community college district wanted to sell the surplus technology property, the governing board would first need to adopt a policy authorizing the disposal by the following methods:

- Sale by public auction, including online auction;
- Sale by sealed bid;
- Sale or transfer through a structured trade-in or buyback program with a vendor, manufacturer, or other third-party purchaser, including where the value of the surplus technology is applied as a credit against the purchase price or lease payments for replacement technology; or
- Negotiated sale to a public agency, nonprofit organization, or private entity, if the governing board of the school district, county board of education, or the governing board of the community college determines that the negotiated sale is in the best interest of the school district, COE, or community college and is reasonably calculated to yield fair market value under the circumstances.

The board adopted policy and related procedures would be required to include a process for determining that technology is no longer required for school purposes, reasonable methods to ensure competition or market testing, compliance with all applicable state and federal requirements for the protection of pupil and employee data, including secure data deletion, device wiping, and verification of destruction or sanitization before transferring technology to a third party and procedures to ensure that technology acquired in whole or in part with state or federal categorical funds is disposed of in a manner consistent with conditions attached to those funds.

The bill would require a school district, county superintendent of schools, or community college district to structure the disposition of surplus technology in a manner that both maximizes the net proceeds or value returned to the school district, COE, or community college (including through trade-in or buyback arrangements), and minimizes electronic waste and promotes environmentally responsible recycling, refurbishment, and reuse.

The bill defines “technology” to mean any device, computer, tablet, laptop, desktop, server, network hardware, peripheral equipment, operating system, application or instructional software, mobile device, or related accessory, service, or license acquired primarily for instructional, administrative, or operational use by a school district, COE, or community college.

School districts are authorized to sell personal property. Current law authorizes the governing board of any school district to sell for cash to the highest responsible bidder any personal property, including technology property, belonging to the district if the property is not required for school purposes, or if it should be disposed of for the purpose of replacement, or if it is unsatisfactory or not suitable for school use. Current law requires specified posting notices of the sale.

School district sales of personal property may also take place via a public auction conducted by employees of the district or other public agencies, or by contract with a private auction firm. Sale of property with a value of less than \$2,500 may be sold at a private sale without advertising. Money received from the sale of personal property is required to be placed to the credit of the fund from which the original expenditure for the purchase of the property was made or in the general or reserve fund of the district.

Current law further authorizes the governing boards of school districts to dispose of personal property belonging to the district for the purpose of replacement by providing in the notice calling for bids for furnishing new materials, articles, or supplies that each bidder to agree in their bid to purchase the property being replaced and to remove it from the school grounds and requires in bid the stated amount which they will deduct from the price bid for furnishing new materials, articles, or supplies as the purchase price for the personal property being purchased from the district. In this instance, the school district is required to select the lowest responsible bidder, or to reject all bids.

COEs are authorized to sell personal property. Current law prohibits a county superintendent of schools from disposing of any item of personal property worth over \$25,000, including technology property, that belongs to the COE without meeting the following conditions:

- Obtaining an independent valuation of the property;

- Advertising the property for sale in a newspaper of general circulation within the district, or, if there is no newspaper of general circulation within the district, in any newspaper of general circulation that is regularly circulated in the district. The advertisement shall be published for a period of time in accordance with the policy of the county board of education;
- Bringing the matter to the attention of the county board of education for its discussion at a regularly scheduled public meeting; and
- Obtaining the approval of the county board of education.

Further, county superintendents of schools are prohibited from disposing of any personal property valued at less than \$25,000 that belongs to the COE unless they certify the property's value in a quarterly report and submit the report to the county board of education for its review.

School districts are required to keep an equipment inventory. EC 35168 requires school districts to establish and maintain a historical inventory that includes specified information, including original cost, of all items of equipment whose current market value exceeds \$1,500 per item. AB 629 (Ward), Chapter 62, Statutes of 2025, updated the current market value threshold from \$500, established in 1984, to \$1,500 with an annual inflation adjustment.

Prior to the adoption of AB 629 (Ward), school districts reported that, over time, the inventory had grown to a point where tens of thousands of items were required to be included. Many large school districts and COEs have a full-time staff member simply to track assets, and apart from them, other units collectively spend hundreds of hours tracking and verifying their assets each year. San Diego USD, one of the sponsors of AB 629 (Ward), reported that with the cost of student devices (such as tablets and laptops) increasing year-over-year, the district expected them to exceed the (prior) \$500 threshold in the near future. Without the requirements of AB 629 (Ward), the number of items in San Diego USD's inventory was projected to increase to more than 30,000, significantly increasing the cost and workload of inventory maintenance.

Capitalization threshold. Property is capitalized for accounting purposes when certain conditions are met. A capitalization threshold is the minimum value of assets that are treated as capital expenditures and included in financial statements. School districts have a capitalization threshold of \$10,000 (\$5,000 for federal purposes); the discrepancy between the asset inventory requirement value and the capitalization threshold is currently significant.

The cost, time, and effort of inventorying and maintaining inventory on items that are so low-cost are burdensome for staff and administrators. School districts provide inventory lists to school sites each year, which they must reconcile. A single high school may have an inventory list hundreds of pages long.

State surplus property available online. The Department of General Services (DGS) operates a website including an auction to dispose of surplus state items. Individuals or organizations interested in purchasing items are required to register as an official bidder online and agree to specified terms and conditions.

Related legislation. AB 296 (Davies) of the 2025-26 Session would have required the California Department of Education (CDE) to develop and maintain, until January 1, 2032, a registry of

career technical education (CTE) equipment listed for sale accessible to local educational agencies (LEAs) via an internet website and authorizes an LEA to list CTE equipment for sale on the registry. This bill was held in the Assembly Appropriations Committee.

AB 629 (Ward), Chapter 62, Statutes of 2025, raises the threshold value for including equipment in a school district's inventory system from \$500 to \$1,500 and requires the Superintendent of Public Instruction to biennially adjust the threshold for inflation and post the adjusted amount on the CDE's website.

AB 857 (Rod Pacheco), Chapter 838, Statutes of 1999 restricts a county superintendent of schools in the areas of salary increases, financial compensation, benefits, budget revisions, and the hiring of consultants. Specified processes for the disposal of COE personal property.

AB 3757 (Hughes), Chapter 482, Statutes of 1984, requires the governing board of each school district, to establish and maintain a historical inventory, or an audit trace inventory system, or any other inventory system authorized by the SBE, to contain the description, name, identification numbers, and original cost of all items of equipment acquired by it whose current market value exceeds \$500 per item, the date of acquisition, the location of use, and the time and mode of disposal. Authorizes a reasonable estimate of the original cost to be used if the actual original cost is unknown.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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