
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
2015 - 2016 Regular

Bill No: AB 2116
Author: Gallagher
Version: April 14, 2016
Urgency: No
Consultant: Kathleen Chavira
Hearing Date: June 8, 2016
Fiscal: No

Subject: School bonds: projections of assessed property valuations

SUMMARY

This bill requires a school district governing board to consider the county assessor's projections for property valuations prior to ordering an election to authorize bonds for school facilities construction related purposes.

BACKGROUND

Existing law authorizes the governing board of any school district or community college district and requires a district, upon a petition of the majority of the qualified electors residing in the district, to order an election and submit to the electors of the district the question whether the bonds of the district shall be issued and sold for the purpose of raising money for specified purposes, including the purchase of school lots, the building or purchase of school buildings, and other facilities and equipment related costs, as well as refunding of facilities related debt, as specified. (Education Code § 15100)

ANALYSIS

This bill:

- 1) Requires a school district to consider the county assessor's projections of assessed property valuations prior to ordering an election to authorize bonds for school facilities construction related purposes, as specified.
- 2) Makes a number of technical and clarifying changes applicable to both school and community college districts.

STAFF COMMENTS

- 1) **Source of the bill.** In July 2015, the California Policy Center, an educational nonprofit focused on how to improve California's democracy and economy, issued a report, *For the Kids: CA Voters Must Become Way of Borrowing Billions More from Wealthy Investors for Educational Construction*. Among other things, the report highlighted the need for adequate and effective oversight and accountability for bond measures. The report recommended that districts be required to obtain reasonable and informed projections of assessed property valuation from an independent source (not from their bond advisors and consultants) before placing a bond measure on the ballot. According to the

author, this bill would improve school bond oversight, accountability, and fiscal responsibility by requiring the school district governing board to consider the county assessor's projections prior to ordering an election to authorize school facilities construction bonds.

- 2) ***Applicability to all districts?*** As currently drafted the requirement that county assessor property valuations be considered prior to ordering an election are applicable only to school districts. **Staff recommends** the bill be amended on page 3, subdivision (c) to make the new requirement applicable to community college districts as well.

SUPPORT

Howard Jarvis Taxpayers Association
Salinas Taxpayers Association

OPPOSITION

None received.

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