

## PROPOSITION 2 – 2024 State School Bond

### *Frequently Asked Questions*

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#### How does Proposition 2 support California’s long-term economic security?

- Investing in California schools is critical to developing a well-educated and skilled workforce, essential to California’s long-term economic security.
- This bond measure will fund upgrades to classroom technology, computer systems, science labs, libraries, and career technical education programs.
- These investments will help California produce the educated workers needed to retain and attract good companies offering well-paid jobs, and to compete in the 21<sup>st</sup> Century global economy.
- The bond will also help high schools and community colleges upgrade vocational education programs to provide students and returning veterans with job training, technical knowledge, and specialized skills to compete for high-quality jobs.

#### What would Proposition 2 help fund?

- **New Construction –**  
This program provides grants to buy land and construct new facilities or to expand existing facilities. Eligibility is determined by calculating existing capacity and applying an enrollment projection to that capacity. This calculation is prescribed in state law and requires the use of standardized loading and projection methodologies to determine the degree of state support.
- **Modernization –**  
This renovation program provides grants for projects that occur on sites with buildings that are at least 25 years-old, or portables that are at least 20 years-old. The funding “is designed to extend the useful life of existing facilities, or to enhance the physical environment of a school,” “Typical projects include, but are not limited to, the following: structural upgrades, access compliance upgrades, air conditioning, plumbing, lighting, and electrical systems, roof replacement, new furniture and equipment, technology upgrades, and replacement of existing facilities.”
- **Funding and Technical Assistance –**  
Proposition 2 contains provisions that provide additional state match funding and technical assistance for low-wealth districts (those with low assessed valuation per pupil), small districts, and those that are unable to raise the required local funds to access the state program. The bond contains Facility Hardship provisions which assist districts with health and safety emergencies, including, but not limited to, seismic hazards.
- **Supplemental Grants Available –**  
As part of your New Construction or Modernization project application, you can also request supplemental grants from Proposition 2 funding to cover the cost of:
  - Career Technical Education – up to a 5 percent increase for Modernization projects.
  - Transitional Kindergarten – for Modernization projects to convert or build classrooms.

- Minimum Essential Facilities – for Modernization projects to build or expand one gym, multipurpose room, library, or school kitchen that is lacking or undersized.
- Extreme Heat & Energy Efficiency – up to a 5 percent increase for New Construction or Modernization for projects to improve energy efficiency and adapt to higher average temperatures that pose a threat to the health and safety of students and staff. Eligible projects must exceed the requirements of Title 24 nonresidential building energy-efficiency standards.

### Is a state school bond necessary in addition to local school bonds?

- By continuing the successful state-local partnership, the state can ensure only eligible projects receive matching grants, and school districts can retain local control of how dollars are spent and leverage local dollars raised.
- California has a historically successful model of state partnership with local school districts to share funding for new construction and renovation of aging classrooms. Locals identify a funding source and the state provides a partial match with funds from school bonds. Proposition 2 increases the state match by up to five percent based on criteria in the measure.
- Currently, all remaining New Construction and Modernization bond authority is committed, backlogging over \$3.4 billion worth of school construction projects that have already secured local funding.

### Does Proposition 2 increase state taxes to pay for principal and interest payments?

- No. There is not a state tax increase for state general obligation bonds like Proposition 2. Principal and interest are paid from existing state revenue sources.
- Proposition 2 is more like taxpayers telling the state government how to spend the taxes they have paid. Proposition 2 returns some of the taxes paid to the state back to local taxpayers in the form of a state match for local school facility funds.

### How does Proposition 2 ensure Accountability and Transparency?

- Proposition 2 increases state oversight and state/local accountability to ensure state school bond funds are spent in accordance with program requirements established in state law and regulation.
- As a condition of receiving state school bond funds, school districts must fulfil annual expenditure reporting requirements, and projects are subject to comprehensive state agency audits.
- Proposition 2 includes provisions that require school districts, county offices of education, charter schools, and California Community Colleges to conduct a public hearing, audit, and post project and audit information on their websites.

### Does Proposition 2 create a significantly different school facilities program?

- No. Proposition 2 maintains the core structure of the existing program prioritizing New Construction and Modernization resources.

- Proposition 2 maintains a predictable planning process by continuing to allocate funds based on date of eligible project submittal.

Proposition 2 ensures all districts can access state resources. It contains increased state grant amounts and technical assistance for those who need it, with no reduction in state grants for other districts.

#### ADDITIONAL QUESTIONS?

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