



## SCHOOL ENERGY COALITION

# Budget Conference Committee Summary On Proposition 39

What we were able to push back so far:

- Regional approach using county offices of education or 11 supervisorial districts that would have added time and bureaucratic overlay.
- Multi-agency oversight - as many as 6 different agencies charged with some oversight.
- Using unfunded *Williams* Emergency Repair Program projects as an interim ready-to-go list for Proposition 39.
- Attempts to challenge or change the flexibility of Government Code Section 4217 through language eliminating performance agreements, lease-leaseback and adding on low bid by requiring competitive bidding. "No sole source" language moves forward instead.

Lost:

- Funding for California Energy Commission (CEC) technical assistance - may use Energy Conservation Assistance Act (ECAA) for this purpose or may be able to receive part of total funding. Possibly Energy Resources Programs Account (ERPA) money for positions still in play.

Gained:

- Simplicity and flexibility with dollars going directly to LEAs for projects with simple application form to receive funds.
- Funding minimums and allowance for two-year bundling for the smaller school districts.
- Clarification that improvements made to private property - as in the case of charters - must be compensated by LEA if the school closes, or by owner if forced out within lifecycle of project.
- **Provision in the bill now states that it will go into effect immediately - as soon as it is approved.**

## WHAT'S IN IT?

The budget provides a total of \$428 million in funding for energy efficiency programs for K-12 education and community colleges in 2013-14. These funds result from Proposition 39 revenues and are counted toward Proposition 98.

All funding to go to K-14 per Average Daily Attendance (ADA) allocation with minimums, adjusted after loan program, Workforce Investment Board (WIB) funding and priority for Free and Reduced Price Lunch. 89% to K-12 and 11% for Community Colleges.



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**Section 1: Intent Language** - Energy efficiency, utility savings, jobs. Mentions the importance of energy managers and ability to use funds for this.

**Section 2: Definitions** - Chancellor, Commission, LEA, Job Creation Fund, etc.

\$28 million for ECAA low/no interest revolving loans for eligible projects and technical assistance. Loans can also be used to make up project funding gaps. The amount going to ECAA will be determined in budget process annually.

\$3 million to WIB for grants eligible community and workforce training organizations that employ disadvantaged youth and veterans. Priority to those that provide hands-on experience related to energy efficiency and clean energy. Provides credential and certificates and partnerships with apprenticeship programs.

After adjustment for above - K-14 is allocated: 89% to K-12 and 11% for CCs.

For K-12 - the Superintendent of Public Instruction (SPI) allocates 15% on the basis of Free and Reduced Price Meals in prior years and 85% per ADA as follows:

- 100 ADA > \$15k (\$75/5 yrs)
- 100-1,000 ADA \$50k (\$250k/5yrs) or ADA (whichever is larger)
- 1,000-2,000 ADA \$100k (\$500k/5yrs) or ADA (whichever is greater)
- Above 2,000 - ADA allocation

For every district receiving over \$1 million in funding, at least half of the funds shall be used on projects larger than \$250 k.

**Bundling:** LEAs under 1,000 ADA may provide a written request to CDE by August 1 to receive its allocation for current and following year (bundling 2 years) - so those LEAs would not receive funding for the following year.

Funding must be encumbered by June 30, 2018.

**Guidelines:** CEC in consultation CDE, the Chancellor's Office and the California Public Utilities Commission (CPUC) shall establish guidelines for the following:

- Standards for estimating energy benefits: energy costs, and cost savings as a result of projects.
- Appropriate contractor qualifications, licensing, certifications (not creating new).
- Projects Evaluation - benchmarks; audits or surveys; sequencing of facility improvements; and determination of cost-effective.
- Measurement and Verification Procedures to ensure energy savings and Green House Gas (GHG) reductions. Pre-installation verification form - to include project description, estimated energy savings, jobs created, current usage, cost. CEC may develop benchmarking and "innovative facility evaluation systems" in coordination w/UC.
- Achieving maximum efficiency or clean energy benefits and job creation.
- Classified employee training and information to maximize energy savings at schools.

CEC to allow the use of data "analytics" of energy use data where possible in the energy auditing, evaluation, inventory, with prior technical validation by the Commission, a local utility, or the CPUC.



No sole source: Sole Source language is simple and wide open, but the message here is that there should be transparency in this process.

(c) A district or LEA shall not use a sole source process to award funds pursuant to this chapter. A district or LEA may use the Best Value criteria to award funds pursuant to this chapter as defined in Public Contracting Code 20133 (c)(1).

d) Guidelines and changes must be Publicly Noticed before approval.

**How schools decide what projects go forward:** LEA shall prioritize eligible projects within district using at least the following factors:

- Age.
- Proportion of Title 1.
- Recently Modernized?
- Hours of Operation - year-round?
- Energy intensity using EPA Energy Star. ASHRAE or software.
- Financial Return over lifecycle of project in terms of net present value.
- Potential for energy demand reduction.
- Health and Safety improvement or non-energy benefits.
- Facilitation of participants in apprenticeship programs.
- Expected number of employees and trainees.
- Enhancement of local employment opportunities. Utilize groups specified such as Conservation Corps., Green Partnership Academies, ROP and others.

**Inventory:** CEC shall maintain information on LEAs and CCs that receive grants and loans. Information shall be publicly available and searchable with relevant metrics to be determined by CEC.

**Qualifying Costs:** Authorize local gas and electric utilities to provide 12 months of past and ongoing energy usage information and billing to CEC.

**Completion Report:** One year after project completion - and no later than 15 months - report on project expenditures to the Citizens Oversight Board (COB) with the following information:

- Total final gross project cost
- Estimated amount of energy saved and consumption data per CEC.
- The name plate rating of new clean energy installed.
- Time between awarding of funding and project completion or training activities.
- The COB shall report back annually to the Legislature and be posted on a publicly accessed website.
- CDE shall require LEAs to pay back funds if not meeting the standards and criteria, or if a project is torn down, remodeled or sold before the payback period.
- The Chancellor shall require a community college to do the same.

### **Section 3-ECAA Loans and Repayments**

ECAA 40 equal semi-annual payments as determined by CEC. LEAs must budget for that.



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We will be doing outreach with CDE and CEC and provide our thoughts on the guidelines as they are being developed. Your help will once again be needed to provide the best SEC input to key agency officials.

### **Section 4 - Bill shall take effect immediately upon approval.**

We will now be discussing outreach with the Energy Commission. I would like to have another conference call to discuss the guidelines and criteria they are charged with developing.

Looking for volunteers for this Proposition 39 CEC outreach subcommittee. Especially school districts and COEs that can help articulate the school perspective and challenges. We will try to set a meeting within the next three weeks.

Let me know your interest and we will meet again by conference call to have a preliminary issue outline soon.

*Powering Forward for Schools!*

Stay tuned!

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