

AMENDED IN SENATE APRIL 24, 2013

AMENDED IN SENATE MARCH 21, 2013

**SENATE BILL**

**No. 39**

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**Introduced by Senators De León and Steinberg**  
**(Coauthors: Senators Beall, Block, Calderon, Corbett, DeSaulnier,**  
**Evans, Galgiani, Hancock, Hernandez, Hill, Hueso, Jackson,**  
**Lara, Leno, Lieu, Liu, Negrete McLeod, Padilla, Pavley, Price,**  
**Roth, Rubio, Vargas, Wolk, and Yee)**  
(Coauthors: Assembly Members Skinner and Torres)

December 5, 2012

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An act to add Chapter 5 (commencing with Section 26230) to Division 16.3 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 39, as amended, De León. Energy: school facilities: energy efficiency upgrade projects.

The California Clean Energy Jobs Act, an initiative measure enacted by voters at the November 6, 2012, statewide general election, establishes the Clean Energy Job Creation Fund and requires moneys in the fund to be available for appropriation during specified fiscal years for, among other things, the purposes of funding energy efficiency projects in school facilities.

This bill would enact the Clean Energy Employment and Student Advancement Act of 2013 and would require the Office of Public School Construction, in consultation with the State Energy Resources Conservation and Development Commission ~~and~~, the Public Utilities Commission, *and the State Department of Education*, to establish a school district assistance program to distribute grants, on a competitive basis, for energy efficiency upgrade projects pursuant to the California

Clean Energy Jobs Act. The bill would require the office, upon the approval of the State Allocation Board, to award a school district grants for energy efficiency upgrade projects meeting specified ~~criteria conditions~~. The bill would require the office to *develop a methodology to give priority points to applications meeting specified criteria*. The bill would require ~~the office, in consultation with~~ the State Energy Resources Conservation and Development Commission, *in consultation with the office of the Treasurer, to establish a program to evaluate the potential to fund energy efficiency and clean energy projects for schools, including colleges and universities, through the use of matching funds, low-interest loans, or other financing methods* *develop guidelines for a financing program that uses revolving loan funds, reduced interest loans, or other financial assistance for energy efficiency and clean energy projects at the campuses of the California Community Colleges, the University of California, and the California State University.*

This bill would state the intent of the Legislature to appropriate moneys to the Office of Public School Construction from the fund for the purposes of awarding energy efficiency grants to the most disadvantaged schools in need of modernization for the purposes of energy efficiency upgrades.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. (a) The Legislature finds and declares all of the  
2 following:
- 3 (1) The people of the State of California voiced their strong  
4 support for the California Clean Energy Jobs Act by enacting  
5 Proposition 39 at the November 6, 2012, statewide general election.  
6 The voters closed an egregious corporate tax loophole that only  
7 benefited out-of-state companies at the expense of expanded  
8 employment in our state.
- 9 (2) It is the duty of the Legislature to put these dollars to work  
10 in a manner that voters can see and experience the benefit of.  
11 Proposition 39 enumerated the following key principles in guiding  
12 the expenditure of the revenues raised through the California Clean  
13 Energy Jobs Act (Division 16.3 (commencing with Section 26200)  
14 of the Public Resources Code):
- 15 (A) Maximize job creation.

- 1 (B) Shrink our carbon footprint.
- 2 (C) Minimize bureaucratic costs.
- 3 (D) Create full transparency.
- 4 (E) Demand rigorous accountability.
- 5 (F) Create measurable results.

6 (3) Since the recession began in late 2007, California has lost  
7 nearly 1.4 million jobs, including 400,000 in the construction  
8 industry alone. Investing in energy efficiency will maximize job  
9 creation and will help the state regain a sense of economic security  
10 and sustainability at a time when unemployment remains high.  
11 The state can further stimulate its economy by putting the industry  
12 segment back to work that is most in need—the construction trades.

13 (4) Studies show the continuing high cost of energy and utilities  
14 due to inefficient lighting, insulation, heating, ventilation, and air  
15 conditioning systems, plumbing, windows, and irrigation systems  
16 that take local money away from educational programs. For  
17 example, the Los Angeles Unified School District spends  
18 \$105,000,000 annually on energy. Energy efficiency improvements  
19 for public schools will reduce long-term energy costs and the  
20 savings can be directed to the classroom.

21 (5) Substandard physical environments are strongly associated  
22 with truancy and other behavior problems in pupils. Lower pupil  
23 attendance leads to lower scores on standardized tests in English  
24 language arts and mathematics. Schools with better building  
25 conditions have up to 14 percent lower pupil suspension rates.  
26 Improving a school’s health and safety standards can lead to a  
27 36-point increase in California Academic Performance Index  
28 scores.

29 (6) Several studies have determined that children suffer  
30 significant health consequences from excessive heat, inadequate  
31 heating, ventilation, and air conditioning systems, mold and other  
32 biological hazards, pest infestations, lead and other toxic hazards,  
33 and overcrowding beyond the stated capacity of the school  
34 structure. Research repeatedly shows the detrimental impact to the  
35 health of pupils due to poor indoor air quality in classrooms.  
36 Increasing energy efficiency will reduce air pollution that causes  
37 asthma and lung disease.

38 (7) Economically disadvantaged school communities are often  
39 the same areas that suffer most from high unemployment and  
40 destructive or unlawful conduct by youth. The program funded by

1 revenues generated by the California Clean Energy Jobs Act will  
2 encourage community participation in, and a greater sense of  
3 responsibility toward, educational, environmental, and fiscal  
4 benefits of modernizing facilities, which will enhance community  
5 pride and sustain neighborhood vitality.

6 (b) It is the intent of the Legislature that:

7 (1) First priority for funds made available through the California  
8 Clean Energy Jobs Act should be to award competitive grants  
9 statewide to economically disadvantaged schools to provide  
10 operational cost savings in schools maintaining kindergarten or  
11 any of grades 1 to 12, inclusive, and create a healthy indoor  
12 environment for pupils and staff and to offer technical assistance  
13 to all applicants and potential applicants for grant preparation to  
14 encourage full participation in the grant program.

15 (2) Energy efficiency upgrade projects should also provide  
16 short-term benefits, including the creation of jobs that pay  
17 prevailing wages in communities around the state, and stimulate  
18 local economies.

19 (3) In addition to grants for economically disadvantaged schools,  
20 to the extent funds are available, funds could be allocated to finance  
21 or provide matching funds for cost-effective energy efficiency  
22 upgrades and clean energy projects at schools maintaining  
23 kindergarten or any of grades 1 to 12, inclusive, and for projects  
24 at community colleges or at the campuses of the University of  
25 California or the California State University.

26 (4) Workforce training programs, including the California  
27 Conservation Corps, certified community conservation corps,  
28 YouthBuild, and other existing programs to train and employ  
29 disadvantaged youth, veterans, and others on energy efficiency  
30 and clean energy projects could also be funded.

31 SEC. 2. It is the intent of the Legislature to make moneys  
32 available to the Office of Public School Construction, upon  
33 appropriation, from the Clean Energy Job Creation Fund to award  
34 energy efficiency upgrade grants to the most disadvantaged schools  
35 in need of modernization for the purposes of energy efficiency  
36 upgrades pursuant to the California Clean Energy Jobs Act  
37 (Division 16.3 (commencing with Section 26200) of the Public  
38 Resources Code).

39 SEC. 3. Chapter 5 (commencing with Section 26230) is added  
40 to Division 16.3 of the Public Resources Code, to read:

1 CHAPTER 5. CLEAN ENERGY EMPLOYMENT AND STUDENT  
2 ADVANCEMENT ACT OF 2013

3  
4 26230. This chapter shall be known, and may be cited, as the  
5 Clean Energy Employment and Student Advancement Act of 2013.

6 26231. As used in this chapter, the following terms shall have  
7 the following meanings:

8 (a) “*Commission*” means the *State Energy Resources*  
9 *Conservation and Development Commission*.

10 (a)

11 (b) “*Energy efficiency upgrade project*” means a school facility  
12 project that reduces energy consumption and operational costs  
13 through means that include, but are not limited to, improvements  
14 to one or a combination of the following:

15 (1) Ventilation.

16 (2) Lighting and other system controls.

17 (3) Air infiltration.

18 (4) Water use.

19 (5) Windows and doors (fenestration).

20 (6) Heating and cooling (HVAC).

21 (7) Electrical system.

22 (8) Insulation.

23 (b)

24 (c) “*Office*” means the *Office of Public School Construction*.

25 (c)

26 (d) “*School district*” means a school district or a county office  
27 of education.

28 26232. (a) The office shall, in consultation with the ~~State~~  
29 ~~Energy Resources Conservation and Development Commission~~  
30 ~~and commission~~, the *Public Utilities Commission*, and the *State*  
31 *Department of Education*, establish a school district assistance  
32 program to distribute grants, on a competitive basis, prioritizing  
33 economically disadvantaged school communities for energy  
34 efficiency upgrade projects that offer the highest energy efficiency  
35 savings, pursuant to this division.

36 (b) *The commission shall develop criteria for project*  
37 *development, ranking, approval, and energy savings reporting,*  
38 *and shall establish guidelines and criteria for all of the following:*

39 (1) *Energy audit standards and procedures.*

40 (2) *Measurement and verification standards.*

1 (3) *Reporting standards.*

2 (4) *Project approval criteria relating to energy efficiency*  
3 *upgrade projects.*

4 (5) *Project priorities relative to energy standards.*

5 (c) *The office shall administer, process, and distribute funds to*  
6 *local educational agencies that meet the conditions pursuant to*  
7 *Section 26234, rank priority for these funds on the basis of criteria*  
8 *pursuant to Section 26235, and perform expenditure audits, as*  
9 *specified in subdivision (d) of Section 26234.*

10 26233. (a) ~~The office~~ *State Department of Education, in*  
11 *consultation with the office, shall do all of the of the following:*  
12 ~~offer~~

13 (1) *Offer* technical assistance to all applicants and potential  
14 applicants for grant preparation to encourage full participation in  
15 the grant program.

16 (2) *Implement outreach and marketing strategies for the*  
17 *program.*

18 (3) *Analyze participation to inform and modify outreach and*  
19 *marketing efforts.*

20 (b) The office shall use existing benchmarking tools to determine  
21 present average energy consumption for a school facility by size  
22 and type.

23 26234. Upon approval by the State Allocation Board, the office  
24 shall award to a school district a grant pursuant to this chapter only  
25 for an energy efficiency upgrade project that meets all of the  
26 following ~~criteria~~ *conditions:*

27 (a) The proposed project meets the qualifications of an energy  
28 efficiency upgrade project.

29 (b) The school district complies with the required labor  
30 compliance and contractor qualification standards.

31 (c) The amount of the grant applied for, together with any  
32 matching contribution, will meet all of the costs of implementing  
33 the energy efficiency upgrade project.

34 (d) The school district allows the office to audit all expenditures  
35 made with grant funds.

36 (e) The school district agrees to track and report to the office  
37 the number of jobs created as a result of the energy efficiency  
38 upgrade project.

1 (f) The school district reports to the office the operational cost  
2 savings resulting from the energy efficiency upgrade project, both  
3 at the district level, in aggregate, and school facility site level.

4 26235. In evaluating *and ranking* applications for grants that  
5 meet the ~~requirements of~~ *conditions pursuant to* Section 26234,  
6 the office shall *develop a methodology to* assign ~~higher~~ priority  
7 *points to any* an application that meets all of the following criteria:

8 (a) The energy efficiency upgrade project is located at a school  
9 facility with an above average energy consumption, as determined  
10 by the benchmark pursuant to subdivision (b) of Section 26233.

11 (b) The energy efficiency upgrade project is located in an  
12 economically disadvantaged school community, based on the  
13 percentage of pupils eligible for the federal free and reduced-price  
14 lunch program.

15 (c) The energy efficiency project is located in an area with an  
16 above average unemployment rate as compared to the statewide  
17 unemployment rate.

18 ~~(d) The school district has actively involved pupils and classified~~  
19 ~~school employees at the school facility site in the planning and~~  
20 ~~design of the energy efficiency upgrade project.~~

21 ~~(e) The energy efficiency upgrade project includes a plan to~~  
22 ~~fund and train classified school employees to service and maintain~~  
23 ~~the projects.~~

24 *(d) Pupils and classified school employees receive training and*  
25 *information to better understand how they can support and*  
26 *maximize the achievement of energy efficiency savings envisioned*  
27 *by the energy efficiency upgrade projects.*

28 ~~(f)~~

29 (e) The energy efficiency upgrade project will enhance  
30 workforce development and employment opportunities, utilize  
31 members of the California Conservation Corps or certified local  
32 conservation corps, if available, or accommodate learning  
33 opportunities for school pupils or at-risk youth in the community.

34 ~~(g)~~

35 (f) The energy efficiency upgrade project is a joint partnership  
36 between two or more agencies, including, but not limited to, other  
37 school districts, nonprofit organizations, and local government  
38 agencies to maximize the investment and benefit to the public.

39 26236. ~~(a) In addition to the program established pursuant to~~  
40 ~~Section 26232, the office, in consultation with the State Energy~~

1 Resources Conservation and Development Commission, shall  
2 develop a financing program by evaluating the potential to fund  
3 projects, consistent with the requirements of Chapter 2  
4 (commencing with Section 26205) for schools maintaining  
5 kindergarten or any of grades 1 to 12, inclusive, community  
6 colleges, and campuses of the University of California and the  
7 California State University through the use of matching funds,  
8 low-interest loans, or other financing methods.

9 (b) Upon appropriation by the Legislature for the purposes of  
10 implementing this section, the office may establish standards  
11 consistent with this division for the implementation of a financing  
12 program developed pursuant to subdivision (a).

13 26236. *The commission, in coordination with the office of the*  
14 *Treasurer, shall develop guidelines for a financing program that*  
15 *uses revolving loan funds, reduced interest loans, or other financial*  
16 *assistance for energy efficiency and clean energy projects at the*  
17 *campuses of the California Community Colleges, the University*  
18 *of California, and the California State University.*