

AMENDED IN SENATE MAY 7, 2013
AMENDED IN SENATE APRIL 24, 2013
AMENDED IN SENATE MARCH 21, 2013

SENATE BILL

No. 39

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

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, 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 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 State Energy Resources Conservation and Development Commission, in consultation with the office of the Treasurer, to 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.
16 (B) Shrink our carbon footprint.

- 1 (C) Minimize bureaucratic costs.
- 2 (D) Create full transparency.
- 3 (E) Demand rigorous accountability.
- 4 (F) Create measurable results.

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

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

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

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

37 (7) Economically disadvantaged school communities are often
38 the same areas that suffer most from high unemployment and
39 destructive or unlawful conduct by youth. The program funded by
40 revenues generated by the California Clean Energy Jobs Act will

1 encourage community participation in, and a greater sense of
2 responsibility toward, educational, environmental, and fiscal
3 benefits of modernizing facilities, which will enhance community
4 pride and sustain neighborhood vitality.

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

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

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

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

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

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

38 SEC. 3. Chapter 5 (commencing with Section 26230) is added
39 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 (b) “Energy efficiency upgrade project” means a school facility
11 project that reduces energy consumption and operational costs
12 through means that include, but are not limited to, improvements
13 to one or a combination of the following:

- 14 (1) Ventilation.
- 15 (2) Lighting and other system controls.
- 16 (3) Air infiltration.
- 17 (4) Water use.
- 18 (5) Windows and doors (fenestration).
- 19 (6) Heating and cooling (HVAC).
- 20 (7) Electrical system.
- 21 (8) Insulation.

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

23 (d) “School district” means a school district or a county office
24 of education.

25 26232. (a) The office shall, in consultation with the
26 commission, the Public Utilities Commission, and the State
27 Department of Education, establish a school district assistance
28 program to distribute grants, on a competitive basis, prioritizing
29 economically disadvantaged school communities for energy
30 efficiency upgrade projects that offer the highest energy efficiency
31 savings, pursuant to this division.

32 (b) The commission shall develop criteria for project
33 development, ranking, approval, and energy savings reporting,
34 and shall establish guidelines and criteria for all of the following:

- 35 (1) Energy audit standards and procedures.
- 36 (2) Measurement and verification standards.
- 37 (3) Reporting standards.
- 38 (4) Project approval criteria relating to energy efficiency upgrade
39 projects.
- 40 (5) Project priorities relative to energy standards.

1 (c) The office shall administer, process, and distribute funds to
2 local educational agencies that meet the conditions pursuant to
3 Section 26234, rank priority for these funds on the basis of criteria
4 pursuant to Section 26235, and perform expenditure audits, as
5 specified in subdivision (d) of Section 26234.
6 26233. (a) The State Department of Education, in consultation
7 with the office, shall do all of the of the following:
8 (1) Offer technical assistance to all applicants and potential
9 applicants for grant preparation to encourage full participation in
10 the grant program.
11 (2) Implement outreach and marketing strategies for the
12 program.
13 (3) Analyze participation to inform and modify outreach and
14 marketing efforts.
15 (b) The office shall use existing benchmarking tools to determine
16 present average energy consumption for a school facility by size
17 and type.
18 26234. Upon approval by the State Allocation Board, the office
19 shall award to a school district a grant pursuant to this chapter only
20 for an energy efficiency upgrade project that meets all of the
21 following conditions:
22 (a) The proposed project meets the qualifications of an energy
23 efficiency upgrade project.
24 (b) The school district complies with the required labor
25 compliance and contractor qualification standards.
26 (c) The amount of the grant applied for, together with any
27 matching contribution, will meet all of the costs of implementing
28 the energy efficiency upgrade project.
29 (d) The school district allows the office to audit all expenditures
30 made with grant funds.
31 (e) The school district agrees to track and report to the office
32 the number of jobs created as a result of the energy efficiency
33 upgrade project.
34 (f) The school district reports to the office the operational cost
35 savings resulting from the energy efficiency upgrade project, both
36 at the district level, in aggregate, and school facility site level.
37 26235. In evaluating and ranking applications for grants that
38 meet the conditions pursuant to Section 26234, the office shall
39 develop a methodology to assign priority points to an application
40 that meets all of the following criteria:

- 1 (a) The energy efficiency upgrade project is located at a school
2 facility with an above average energy consumption, as determined
3 by the benchmark pursuant to subdivision (b) of Section 26233.
4 (b) The energy efficiency upgrade project is located in an
5 economically disadvantaged school community, based on the
6 percentage of pupils eligible for the federal free and reduced-price
7 lunch program.
8 (c) The energy efficiency project is located in an area with an
9 above average unemployment rate as compared to the statewide
10 unemployment rate.
11 (d) Pupils and classified school employees receive training and
12 information to better understand how they can support and
13 maximize the achievement of energy efficiency savings envisioned
14 by the energy efficiency upgrade projects.
15 (e) The energy efficiency upgrade project will enhance
16 workforce development and employment opportunities, utilize
17 members of the California Conservation Corps or certified local
18 conservation corps, if available, or accommodate learning
19 opportunities for school pupils or at-risk youth in the community.
20 (f) The energy efficiency upgrade project is a joint partnership
21 between two or more agencies, including, but not limited to, other
22 school districts, nonprofit organizations, and local government
23 agencies to maximize the investment and benefit to the public.
24 ~~26236. The commission, in coordination with the office of the~~
25 ~~Treasurer, shall develop guidelines for a financing program that~~
26 ~~uses revolving loan funds, reduced interest loans, or other financial~~
27 ~~assistance for energy efficiency and clean energy projects at the~~
28 ~~campuses of the California Community Colleges, the University~~
29 ~~of California, and the California State University.~~