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**SENATE COMMITTEE ON ENERGY, UTILITIES AND  
COMMUNICATIONS**  
**Senator Steven Bradford, Chair**  
**2023 - 2024 Regular**

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**Bill No:** SB 1182 **Hearing Date:** 3/19/2024  
**Author:** Gonzalez  
**Version:** 2/14/2024 Introduced  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Sarah Smith

**SUBJECT:** Master Plan for Healthy, Sustainable, and Climate-Resilient Schools

**DIGEST:** This bill requires the California Energy Commission (CEC) to convene specified stakeholders to develop a Master Plan for Healthy, Sustainable, and Climate-Resilient Schools by March 1, 2025.

**ANALYSIS:**

Existing law:

- 1) Establishes a goal of doubling energy efficiency savings from existing building end uses by January 1, 2030. Existing law requires the CEC to establish annual targets for statewide energy efficiency savings and demand reduction to achieve this goal. (Public Resources Code §25310)
- 2) Establishes the School Energy Efficiency Stimulus Program (also known as the California Schools Healthy Air, Plumbing, and Efficiency Program – CalSHAPE), which provides grants to local educational agencies (LEAs) to fund appliance, plumbing and heating, ventilation and air conditioning (HVAC) upgrades at schools using ratepayer energy efficiency incentives. Existing law designates the CEC as the third-party administrator of CalSHAPE grants and sunsets the program on January 1, 2027. (Public Utilities Code §§1610 – 1618)
- 3) Established the Clean Energy Job Creation Program to and allocates Proposition 39 revenues to fund energy efficient retrofits and clean energy installations as well as related improvements and repairs that contribute to reduced operating costs and provide certain non-energy benefits, including improved health and safety conditions in public schools. The program also allocated funds to the State Energy Conservation Assistance Account Education Subaccount to provide LEAs with no-interest revolving loans to fund energy

efficiency and renewable energy projects. (Public Resources Code §26200 et seq.)

This bill:

- 1) Requires the CEC to facilitate an interagency process to develop a Master Plan for Healthy, Sustainable, and Climate-Resilient Schools by March 1, 2025.
- 2) Specifies various agencies from whom the CEC must solicit input and specifies various stakeholder groups that must be included in the development of the Master Plan.
- 3) Requires the CEC to submit Master Plan to various agencies and elected offices, including the Legislature and the Governor. This bill also require multiple agencies to post the Master Plan on their respective internet websites.
- 4) Specifies contents that must be included in the Master Plan, including, but not limited to the following:
  - a) An assessment of a representative sample of elementary and secondary school buildings for various opportunities to make climate and energy-related upgrades to the school buildings and grounds.
  - b) Health, resilience, and decarbonization goals for public school campuses.
  - c) Recommendations for various incentives and funding opportunities for school infrastructure upgrades, including facility upgrades to meet climate goals.
  - d) Recommendations for LEAs to include various high-road workforce measures in decarbonization and adaptation plans, including project labor agreements with unionized workforces.

## **Background**

*LEAs have diverse and unique energy and climate challenges.* California's K-12 facilities include approximately 12,800 schools with more than 714 million square feet of space, making LEAs the largest category of building in the public building sector. Unlike other commercial end users, government buildings generally aren't able to use energy savings to reinvest in more capital improvements, which leads public buildings to require regular cycles of investment to update facilities and replace less efficient appliances. While some districts may seek local and state bond or tax funding to make these updates, other districts may seek moneys and

tax incentives from the Infrastructure Investment and Jobs Act and Inflation Reduction Act.

*Show me the money: bill aims to provide guidance for funding opportunities.* This bill seeks to establish a Master Plan that may help provide LEAs with guidance about the types of building decarbonization and climate resilience investments that can provide benefits for LEAs. However, the diversity of size, condition, and location of California's LEAs creates challenges for providing guidance that meaningfully addresses an LEA's needs. While some LEAs may be seeking to make major investments in fuel switching, electric vehicle (EV) charging, and on-site clean energy generation, other LEAs may need new HVAC systems and water filtration. LEAs with sufficient resources may have little difficulties in taking advantage of new funding opportunities as they arise; however, smaller LEAs and LEAs with limited support resources may require additional guidance and technical assistance to identify the best opportunities for their specific considerations and submit successful applications.

*CEC has administered energy efficiency programs supporting LEAs with goals similar to the master plan required by this bill.* While the CEC has not established a Master Plan addressing K-12 buildings' climate adaptation needs, the CEC has administered multiple programs aimed at providing incentives to improve energy efficiency, water savings, and non-energy benefits associated with clean energy and appliance installations in LEA facilities. Following the passage of Proposition 39 in 2012, the CEC administered the Clean Energy and Jobs Creation Program, which provided funding to schools to make various energy-saving upgrades to school facilities. Since the passage of AB 841 (Ting, Chapter 372, Statutes of 2020), the CEC has also administered CalSHAPE, which provides ratepayer-funded incentives to schools for efficient plumbing and HVAC upgrades. While the CEC has experience administering and providing guidance on energy efficient facility improvements, this bill's Master Plan provisions would require the CEC to make recommendations about a larger scope of climate, health, equity, and sustainability measures for school facilities.

*Instant replay?* This bill's provisions are substantially similar to those in SB 394 (Gonzalez, 2023), which was vetoed. In his veto message, the Governor cited cost concerns as the primary basis for vetoing the bill. His veto message states:

“While I support the author's goal of making our schools more climate friendly and climate prepared, the development of this Master Plan will cost up to \$10 million that was not considered through the annual budget process.

Additionally, the Master Plan would create significant long-term cost pressures that are not accounted for in the state budget plan.”

Since the Governor’s veto message, fiscal conditions for the CEC’s primary operational account, the Energy Resources Programs Account (ERPA), have not improved. According to the February 2024 report *Insolvency Risks for Environmental and Transportation Special Funds* by the Legislative Analyst’s Office, ERPA remains in a structural deficit and is expected to become insolvent in 2027-28 without additional changes to revenues and expenditures.

*Dual Referral.* Should this bill be approved by this committee, it will be re-referred to the Senate Committee on Education.

### **Prior/Related Legislation**

SB 394 (Gonzalez, 2023) would have required the CEC to develop a Master Plan for Healthy, Sustainable, and Climate-Resilient Schools upon receiving a legislative appropriation. The provisions of this bill specifying the required contents of the Master Plan are identical to those in SB 394. The bill was vetoed.

AB 841 (Ting, Chapter 372, Statutes of 2020) among other provisions, established the CalSHAPE program to provide stimulus grants to LEAs to fund appliance, plumbing, and HVAC upgrades at schools using ratepayer energy efficiency incentives. The bill also designated the CEC as the third-party administrator of the CalSHAPE program.

SB 110 (Committee on Budget, Chapter 55, Statutes of 2017) and AB 129 (Committee on Budget, Chapter 250, Statutes of 2017) among other requirements, extended the operation of the Proposition 39 program, re-appropriated funds for the purpose of the program, and revised the allocation of Proposition 39 funds for LEAs to establish a competitive grant program for the remainder of the program’s operation.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

### **SUPPORT:**

California Federation of Teachers, Co-sponsor  
California Labor for Climate Jobs, Co-sponsor  
UndauntedK12, Co-sponsor

A Voice for Choice Advocacy  
A. O. Smith Corporation  
Alliance for A Better Community  
American Academy of Pediatrics, California  
Association for Environmental and Outdoor Education  
Building Decarbonization Coalition  
California Alliance for Clean Air in Schools  
California Environmental Voters  
California State PTA  
Center for Cities and Schools, UC Berkeley  
Center for Ecoliteracy  
Children Now  
Climate Action Campaign  
Climate Action Pathways for Schools  
Climate Health Now  
CMTA Engineers  
Education Justice Academy  
GENup  
Green Schools National Network  
Green Schoolyards America  
Jobs with Justice San Francisco  
Labor Network for Sustainability  
Menlo Spark  
Natural Resources Defense Council  
New Buildings Institute  
NextGen California  
Our Turn  
Rewiring America  
San Francisco Bay Area Physicians for Social Responsibility  
Strategic Energy Innovations  
Sierra Club California  
Ten Strands  
TerraVerde Energy  
Tree People  
Two Individuals

**OPPOSITION:**

None received

**ARGUMENTS IN SUPPORT:** According to the Author:

California's K-12 students are increasingly burdened by climate-related threats such as extreme heat, flooding, wildfire smoke, and other hazards that can harm their health and hinder their ability to learn. A recent report from the Legislative Analyst's Office showed that, as climate change continues to drive extreme weather events and other disruptions, students will face learning loss, food insecurity, and traumatic mental health impacts that are likely to affect their ability to learn and result in diminished academic outcomes.

While California's 10,000 school facilities play an integral part in the mission of educating California's students, the State has no cohesive strategy to make school buildings and grounds climate-resilient to protect the health and safety of students. It is abundantly clear that for California to meet its climate goals and ensure the educational opportunities of students there must be a comprehensive policy and implementation road map.

SB 1182 will address the lack of guidance and planning around school facilities and sustainability by requiring the California Energy Commission to collaborate with various state agencies and education stakeholders to develop a Master Plan for Healthy, Sustainable, and Climate-Resilient Schools. This plan will provide the State and the public with substantive guidance to ensure California's school facilities will be resilient in the face of continuing climate change and its acute impacts on the health and wellbeing of our students. A cohesive plan will also position California to take full advantage of forthcoming grants and incentives for de-carbonization and climate adaptation under the federal Infrastructure Investment and Jobs Act and Inflation Reduction Act.

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