



# CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

## K-14 Voter Approved General Obligation Bonds: Authorized, But Unissued – 2024 Update

By Darlene Medrano

In January 2014, the California Debt and Investment Advisory Commission (CDIAC) began reporting on the amount of general obligation (GO) bond authority approved by voters for California school and community college (K-14) districts as well as the amount of remaining unissued authority for those districts. In the first report, CDIAC identified over \$90 billion of K-14 GO bond authority that had been approved by voters between November 2002 and November 2013. By 2014, \$37.5 billion of this GO authority had yet to be issued.<sup>2</sup> Since the initial report, CDIAC has continued to annually report on the amount of K-14 GO bond authorization approved by voters, resultant bond issuance activity, and the amount of K-14 GO bond authorization that remains unissued.

In 2023, California voters authorized \$3.6 million in GO bond authority for an elementary school district. Since March 2001, voters have authorized over \$203 billion of local K-14 GO authority throughout the state.<sup>3</sup> Of that total, over \$55 billion – more than one-fourth of the total K-14 GO authorization – has yet to be issued (Figure 1).

**Figure 1**

CALIFORNIA SCHOOL AND COMMUNITY COLLEGE DISTRICT  
VOTER APPROVED G.O. AUTHORITY VS. ISSUANCE PER ELECTION YEAR  
(REPORTED TO CDIAC AS OF 03/26/2024)

ELECTION YEAR <sup>(a)</sup>	NUMBER OF APPROVED ELECTIONS	VOTER APPROVED G.O. AUTHORITY (MILLIONS)	G.O. AUTHORITY ISSUED (MILLIONS)	UNISSUED G.O. AUTHORITY <sup>(a)</sup> (MILLIONS)	% UNISSUED
2001 <sup>1</sup>	50	\$4,413	\$4,395	\$18	0.4%
2002	151	15,567	15,489	77	0.5
2003	11	1,553	1,538	15	1.0
2004	112	11,561	11,547	14	0.1
2005	35	6,294	6,099	194	3.1
2006	93	10,301	9,273	1,028	10.0
2007	11	1,253	576	678	54.1
2008	142	28,001	21,283	6,718	24.0
2009	2	69	69	0	0.0
2010	62	5,015	4,736	279	5.6
2011	7	981	981	0	0.0
2012	116	15,287	13,996	1,290	8.4
2013	8	330	327	3	0.8
2014	127	12,598	11,386	1,242	9.9
2015	9	1,143	862	281	24.6
2016	219	29,641	22,776	6,865	23.2
2017	2	155	96	59	38.1
2018	128	17,865	12,531	5,334	29.9
2019	-	0	0	0	-
2020	92	18,793	6,293	12,499	66.5
2021	0	0	0	0	-
2022	86	22,198	3,245	18,954	85.4
2023	1	4	2	2	44.4
TOTAL	1,464	\$203,021	\$147,500	\$55,550	27.4%

<sup>a</sup> Calendar year: even years include both Primary and General election results; odd years include locally held elections during the year.

<sup>b</sup> Amounts may not add due to rounding.

Source: Original CDIAC analysis, last updated March 2024

<sup>1</sup> Calendar year 2001 includes data from March 1 through December 31 of that year to correspond with the first elections where bond measures were approved through Proposition 39.

<sup>2</sup> “K-14 Voter Approved General Obligation Bonds: Authorized, But Unissued,” *California Debt and Investment Advisory Commission*, published January 2014, [www.treasurer.ca.gov/cdiac/publications/k14.pdf](http://www.treasurer.ca.gov/cdiac/publications/k14.pdf), accessed February 11, 2021.

<sup>3</sup> It is important to note that in the 2019 annual report, CDIAC expanded the authorized but unissued data set to include K-14 GO bond authority approved by voters in 2001 and elections held in 2002 prior to November, [www.treasurer.ca.gov/cdiac/publications/k14update-2019.pdf](http://www.treasurer.ca.gov/cdiac/publications/k14update-2019.pdf).

This report relies on K-14 GO bond issuance information reported as sold to CDIAC under Government Code Section 8855(j) from March 2001 through December 31, 2023, which was cross-referenced with K-14 GO bond elections approved from 2001 through 2023. The cross-referencing process was validated by a review of official statements that are required to be submitted to CDIAC under the same Government Code section.

Of the active school and community college districts in California, 249 K-12 school districts (26.5%)<sup>4</sup> and five community college districts (6.8%)<sup>5</sup> have not attained voter approval to issue GO bonds since 2001.<sup>6</sup>

California school and community college districts may construct or modernize school facilities using GO bonds repaid with local ad valorem property tax collections. K-14 districts can ask voters within their jurisdiction for the authority to issue GO bonds under Proposition 46 (1986) or Proposition 39 (2000).<sup>7</sup> If approved by voters, property taxes can be collected to pay the principal and interest due on the GO bonds.

Proposition 39, the “Smaller Classes, Safer Schools and Financial Accountability Act,” was approved in November 2000. Proposition 39 amends portions of the California Constitution to provide school districts with an alternate legal path for obtaining GO bond authority with just 55% voter approval. Prior to the approval of Proposition 39, an increase in GO bond authority for a school district required at least two-thirds voter approval. GO bonds issued under Proposition 39 must adhere to specific tax rate limits as well as additional accountability requirements (Figure 2).

For example, Proposition 39 places limitations on a district’s issuance of debt by cap-

ping the tax rate of assessed valuation (AV) of property in the district that is used to estimate the repayment of debt issued under the approved GO bond measure. To issue bonds, elementary and high school districts that have obtained authority to issue GO bonds through Proposition 39 have a limit of \$30 per year per \$100,000 of the district’s AV. For unified school districts, the limit is \$60 per year per \$100,000 in AV, and for community college districts the limit is \$25 per year per \$100,000 in AV. As a district’s ability to project a tax rate to support the issuance of GO debt is based on the property values within district boundaries, the district is reliant on stable or accelerating growth in property values to allow for issuance of debt that uses that source of GO authority.

Due to the lower threshold for voter approval, the vast majority of California school and community college districts ask for GO bond authority through elections held under Proposition 39 rather than Proposition 46. Since 2001, 96% of K-14.

GO bond elections have been approved under Proposition 39 (Figure 3). Following its passage in November 2000, K-14 districts began presenting ballot measures to local voters seeking 55% approval by March 2001.

Under Proposition 39, bond elections may only be held on the same day as statewide general, primary, or special elections, or at regularly scheduled local elections. This causes most school GO bond elections to be held in even numbered years. Of the 1,464 school bond measures approved by voters since 2001, 1,328 (91%) have been in elections in even-numbered years (Figure 3). More recent K-14 GO bond authorizations tend to have higher percentages of unissued bond authority, because districts often issue their bonds over several years following an election. Over time, however, the authorization is expected to be issued almost entirely (Figure 4). In last year’s extended update, CDIAC discussed the factors that could contribute to large amounts of unissued GO bond authorization dating back to 2007-2010.<sup>8</sup>

**Figure 2**  
SCHOOL G.O. AUTHORITY COMPARISON

<b>PROPOSITION 46</b>	<ul style="list-style-type: none"> <li>• Two-thirds voter approval.</li> <li>• 2.5% Assessed Valuation (AV) Debt Limit for Unified School Districts, Community College Districts</li> <li>• 1.25% AV Debt Limit for Elementary School Districts, High School Districts</li> </ul>
<b>PROPOSITION 39</b>	<ul style="list-style-type: none"> <li>• Fifty-five (55) percent voter approval.</li> <li>• Proposition 46 AV Debt Limits (above).</li> <li>• \$30 Tax Rate per \$100,000 of district assessed valuation (AV) for Elementary School Districts, High School Districts.</li> <li>• \$60 Tax Rate per \$100,000 of AV for Unified School Districts.</li> <li>• \$25 Tax Rate per \$100,000 of AV for Community College Districts.</li> <li>• Project specificity in ballot initiative.</li> <li>• Annual performance and financial audits.</li> <li>• Citizen's oversight committee.</li> </ul>

<sup>4</sup> The California Department of Education’s school district directory lists 938 active elementary, high school, and unified school districts. Source: “California School Directory,” *California Department of Education*, Accessed March 26, 2024, [www.cde.ca.gov/schooldirectory](http://www.cde.ca.gov/schooldirectory).

<sup>5</sup> The California Community Colleges Chancellor’s Office (CCCCO) reports 73 active community college districts operating in California. This was confirmed with a CCCCCO representative in March 2021 and reaffirmed online in March 2024.

<sup>6</sup> Included in the dataset are 18 elections for K-14 districts that have merged and/or closed since receiving voter approval of GO bond authority.

<sup>7</sup> In June 1986, Proposition 46 restored the authority to issue GO bonds to counties, cities, and school districts and included a limit on the amount of debt that could be issued.

<sup>8</sup> Kelly Joy, “K-14 Voter Approved General Obligation Bonds: Authorized, But Unissued – Extended 2023 Update,” *California Debt and Investment Advisory Commission*, published March 2023, [www.treasurer.ca.gov/cdiac/publications/k14-approved.pdf](http://www.treasurer.ca.gov/cdiac/publications/k14-approved.pdf), accessed April 9, 2024.

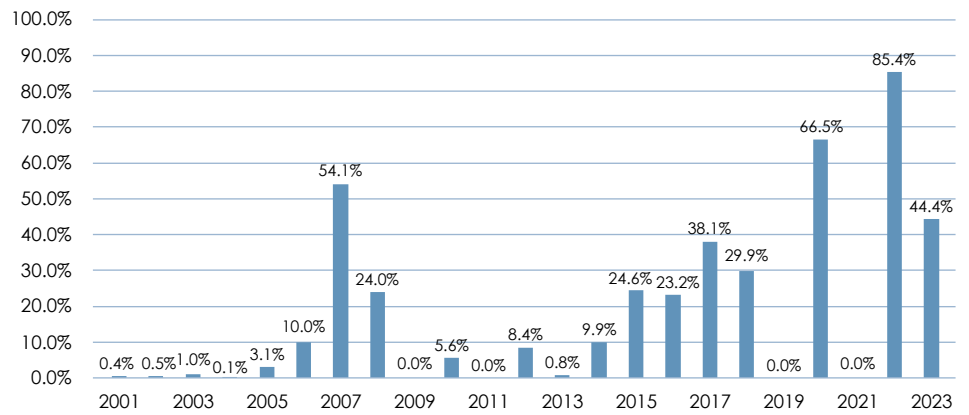
**Figure 3**

CALIFORNIA SCHOOL AND COMMUNITY COLLEGE DISTRICT G.O. BOND ELECTIONS USING PROP 46 VS. PROP 39

ELECTION YEAR	PROP 46 2/3	PROP 39 55%	PERCENTAGE OF PROP 39 ELECTIONS
2001	22	28	56%
2002	6	145	96
2003	1	10	91
2004	2	110	98
2005	4	31	89
2006	2	91	98
2007	4	7	64
2008	3	139	98
2009	-	2	100
2010	1	61	98
2011	-	7	100
2012	1	115	99
2013	1	7	88
2014	1	126	99
2015	2	7	78
2016	8	211	96
2017	-	2	100
2018	4	124	97
2019	-	-	-
2020	1	91	99
2021	-	-	-
2022	-	86	100
2023	1	-	0
Odd Year	35	101	74
Even Year	29	1,299	98
TOTAL	64	1,400	96%
Odd Year Elections		136	9%
Even Year Elections		1,328	91%
TOTAL		1,464	

**Figure 4**

CALIFORNIA SCHOOL AND COMMUNITY COLLEGE DISTRICT G.O. BOND AUTHORITY PERCENTAGE UNISSUED BY ELECTION YEAR



Source: Original CDIAC analysis, last updated March 2024

Due to the complexity of factors affecting a district’s ability to issue GO bonds, a dollar of unissued authority does not equate to a dollar available for building or remodeling schools in the near future. This report provides an update to last year’s volume of authorized but unissued school and community college district GO bonds; however, it is not an assessment of the current ability of districts to issue GO bonds.