

New Legislation Expands the Types of “Direct Costs” School Districts May Charge under the Civic Center Act

The Governor has signed into law Senate Bill (SB) 1404, which amends the Civic Center Act and, until January 1, 2020, expands the types of direct costs that school districts may charge for use of school facilities or grounds.

Existing law under the Civic Center Act (Ed. Code § 38130 et seq.) provides that a school district may charge a fee, which may not exceed the school district’s direct costs, for use of the school facilities or grounds by organizations that promote youth and school activities or provide youth sports league activities. Under existing law, direct costs include the costs of supplies, utilities, janitorial services, other district employees’ services, and district employee salaries that are necessary for the organization’s use of the school facilities or grounds.

In amending Education Code section 38134 through SB 1404, the Legislature recognizes that budget cuts have made it difficult for school districts to maintain their facilities and grounds, and that the maintenance costs often exceeds the operational costs connected with the organization’s use of the school facilities or grounds. SB 1404 expands the definition of direct costs that school districts may charge to include a certain portion of the operating and maintenance costs proportional to the organization’s use of the school facilities or grounds. Direct costs will also include the organization’s share of costs for maintenance, repair, restoration, and refurbishment of school facilities or grounds, which will be proportionate to the organization’s use of the school facilities or grounds.

The newly amended section 38134 also indicates that a user’s proportional share of the costs for maintenance, repair, restoration and refurbishment will be limited to costs associated with non-classroom space and “school grounds,” including but not limited to, playing fields, athletic fields, track and field venues, tennis courts and outdoor basketball courts. Also, classroom-based programs that operate after school hours and instructional organizations that are retained by the school or school district will not be required to bear a share of the cost for maintenance, repair, restoration, and refurbishment.

CLIENT NEWS BRIEF

October 2012
Number 64

The amended legislation requires that the Superintendent of Public Instruction implement regulations, which the State Board of Education will adopt, to guide school districts in determining the proportionate share and allowable costs that may be included as direct costs for using school facilities or grounds. Amended section 38134 will be in effect until January 1, 2020.

If you have any questions regarding SB 1404, or other issues related to the Civic Center Act, please feel free to contact one of our [eight offices](#) located statewide. You can also visit our [website](#), follow us on [Facebook](#), or download our [Client News Brief App](#).

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