
CONSENT

Bill No: AB 629
Author: Ward (D)
Amended: 3/10/25 in Assembly
Vote: 21

SENATE EDUCATION COMMITTEE: 7-0, 6/25/25
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Laird

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 79-0, 6/2/25 - See last page for vote

SUBJECT: School districts: equipment inventory

SOURCE: Office of the Riverside County Superintendent of Schools
San Diego Unified School District

DIGEST: This bill raises the threshold value for including equipment in a school district's inventory system from \$500 to \$1,500 and requires the Superintendent of Public Instruction (SPI) to biennially adjust the threshold for inflation and post the adjusted amount on the California Department of Education's (CDE) website.

ANALYSIS:

Existing law:

- 1) Requires each school district governing board to establish and maintain an inventory system—whether historical, audit trace, or another system authorized by the State Board of Education—containing detailed information for all equipment with a current market value exceeding \$500 per item, including description, original cost, acquisition date, use location, and disposal information. (Education Code § 35168)
- 2) Authorizes the use of a reasonable estimate for original cost if it is unknown.

This bill:

- 1) Raises the dollar threshold for inventory inclusion from \$500 to \$1,500 per item.
- 2) Requires the same inventory data to be maintained, including description, identification number, original or estimated cost, acquisition date, use location, and, upon disposal, the date and manner of disposal.
- 3) Requires the SPI to adjust the threshold every two years, based on the same inflation adjustment used for the Local Control Funding Formula (LCFF), and round the result to the nearest \$50.
- 4) Requires the SPI to post the adjusted threshold value on CDE's website.

Comments

- 1) *Need for this bill.* According to the author, "Current law requires school districts to maintain a historical inventory of all equipment valued at over \$500 that includes a description of the item, its name, original cost, date of acquisition, location of use, and time and mode of disposal. The \$500 value threshold triggering inclusion in the inventory was established in 1984 and has never been adjusted for inflation.

"Since 1984, inflation has increased prices by an average of approximately 200% and as a result the number and category of items included in the inventory has increased significantly. At the Riverside County Office of Education (COE), the inventory includes over 42,000 items – nearly half of which would not be included if the \$500 threshold was adjusted for inflation to reflect the actual cost of goods in today's money.

"As the number of items in the inventory increases, so does the staff time and cost required to maintain it. The Riverside COE and the San Diego Unified School District (USD) each spend approximately \$500,000 annually complying with this requirement. In an era where the cost of student devices increases frequently, the cost, time and effort to develop the inventory will continue to increase significantly.

"While maintaining an equipment inventory is good practice, the \$500 threshold required by law no longer reflects current-day prices. Adjusting the threshold for inflation would reduce the burden on staff and save costs while maintaining the intent of the law."

- 2) *A 40-year-old threshold no longer aligned with modern purchasing realities.* The \$500 threshold for school district equipment inventories was established in 1984, when the cost of most instructional or operational equipment was significantly lower. Since then, inflation has risen by more than 200%, yet the threshold has remained fixed, resulting in the inclusion of tens of thousands of relatively low-value items in district inventories. In practice, this means school districts are required to track and maintain detailed records for items like folding chairs, hand tools, or athletic pads—equipment that may be important for day-to-day operations but not necessarily significant from a fiscal oversight or asset management perspective. By updating the threshold to \$1,500, this bill reflects a pragmatic acknowledgment that what once qualified as a major purchase no longer does.
- 3) *Meaningful administrative savings without compromising oversight.* Inventory management is essential for transparency, fiscal accountability, and loss prevention. However, requiring staff to track large quantities of lower-value items may divert resources from higher-value oversight or mission-critical tasks. For example, San Diego Unified School District and Riverside County Office of Education report annual inventory-related costs of about \$500,000—a figure driven largely by the volume of items subject to tracking under the outdated threshold. By reducing the number of items in the inventory by an estimated 30–50%, this bill could yield millions of dollars in cumulative statewide savings, especially for large or urban districts. Importantly, districts would still retain discretion to track lower-value items locally if they choose to, preserving flexibility where needed.
- 4) *Biennial inflation adjustments prevent future obsolescence.* Rather than allowing the threshold to stagnate for another four decades, this bill creates a standing mechanism to adjust the \$1,500 threshold every two years using the same inflation index that governs adjustments to the LCFF. This approach offers two advantages: it ensures the law remains responsive to economic conditions without further legislative action, and it uses a familiar, education-specific metric that is already incorporated into school budgeting practices.
- 5) *Alignment with other financial thresholds.* School districts generally do not capitalize equipment purchases in financial statements unless the item exceeds \$10,000 in value (or \$5,000 for federal purposes). By contrast, the \$500 inventory requirement is significantly lower and applies to assets that would not be treated as capitalized expenditures. While this bill does not alter accounting requirements, it narrows the gap between inventory and capitalization

thresholds, reducing unnecessary tracking of items with limited impact on a district's financial position.

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

SUPPORT: (Verified 7/7/25)

Office of the Riverside County Superintendent of Schools (Co-Source)

San Diego Unified School District (Co-Source)

California Association of School Business Officials

Fresno Unified School District

OPPOSITION: (Verified 7/7/25)

None received

ASSEMBLY FLOOR: 79-0, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Fariás, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Ian Johnson / ED. / (916) 651-4105

7/9/25 16:03:28

**** **END** ****