

AMENDED IN ASSEMBLY JULY 2, 2008
AMENDED IN ASSEMBLY JUNE 16, 2008
AMENDED IN SENATE MAY 28, 2008
AMENDED IN SENATE MAY 6, 2008
AMENDED IN SENATE APRIL 3, 2008

SENATE BILL

No. 1672

Introduced by Senator Steinberg
(Coauthor: Assembly Member Hancock)

February 22, 2008

An act to add Division 16.2 (commencing with Section 26200) to the Public Resources Code, relating to energy, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 1672, as amended, Steinberg. Energy: Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Bond Act of 2010.

Existing law provides various funding sources for energy efficiency projects and related purposes.

This bill, subject to voter approval at the 2010, ____ election, would enact the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Bond Act of 2010 to authorize the issuance and sale of \$2,250,000,000 in state general obligation bonds for specified purposes. Of the bond revenues generated, \$1,250,000,000 would be deposited into the Renewable Energy, Climate

Change, Career Technical Education, and Clean Technology Job Creation Fund of 2010, which would be created by the bill in the State Treasury, and would be available, upon appropriation by the Legislature, for the purposes of the construction of new facilities or the reconfiguration of existing facilities to enhance the educational opportunities for program participants, as defined, to provide them with the skills and knowledge necessary for careers directly related to clean technology, renewable energy, or energy efficiency. The remaining \$1,000,000,000 generated from the bond proceeds would be deposited into the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Revolving Loan Fund, which would be created by the bill in the State Treasury, and would be available, upon appropriation by the Legislature, for loans awarded for capital outlay projects undertaken by specified entities to provide job training and development for specified individuals. The bill would create the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Council comprised of 5 members. The council would be required to issue guidelines to implement the purposes of this act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 16.2 (commencing with Section 26200)
 2 is added to the Public Resources Code, to read:

3
 4 DIVISION 16.2. RENEWABLE ENERGY, CLIMATE
 5 CHANGE, CAREER TECHNICAL EDUCATION, AND CLEAN
 6 TECHNOLOGY JOB CREATION BOND ACT OF 2010

7
 8 CHAPTER 1. GENERAL PROVISIONS

9
 10 26200. This division shall be known and may be cited as the
 11 Renewable Energy, Climate Change, Career Technical Education,
 12 and Clean Technology Job Creation Bond Act of 2010.

13 26201. (a) The people of the State of California and the
 14 Legislature, in approving this measure, find and declare all of the
 15 following:

1 (1) California’s international leadership in renewable energy,
2 energy conservation, clean technology, and climate change policies
3 creates significant, but dramatically underfunded, opportunities to
4 provide strategic capital investments in energy conservation, clean
5 technologies, and renewable energy, including projects that
6 contribute directly to workforce development and educational
7 opportunities for high school pupils, young workers, community
8 college students and graduates, youth who participate in community
9 or state service organizations, college and university students and
10 graduates, apprenticeship programs for building and construction
11 trades and other technical and vocational careers, and training
12 programs for unemployed, underemployed, or displaced workers
13 and high school dropouts.

14 (2) California has an opportunity to combine the education and
15 training of both its future college-educated workforce, the
16 underemployment of recent high school graduates, and its highly
17 skilled technical workforce with its effort to combat high school
18 dropouts and the retraining of workers who have been displaced
19 by the loss of high-wage jobs in California. Clean technology jobs
20 and renewable energy jobs (green collar jobs) can provide
21 underserved communities with a pathway out of poverty, a new
22 and inspiring focus for educational institutions and nonprofit
23 organizations, and significant statewide economic and
24 environmental benefits.

25 (3) A 2006 poll of at-risk California 9th and 10th graders by
26 Peter D. Hart Research Associates found that six in 10 students
27 were not motivated to succeed in school. Of those students, more
28 than 90 percent said they would be more engaged in their education
29 if classes helped them acquire skills and knowledge relevant to
30 future careers. Career technical education programs that create
31 paths to further education, advanced training, or productive jobs
32 in high opportunity careers can keep students engaged and on track
33 toward a diploma.

34 (4) Investments in renewable energy, energy conservation, clean
35 technologies, and climate change mitigation, and investments that
36 develop the workforce for these industries will provide multiple
37 benefits to California in all of the following ways:

38 (A) Helping to achieve the state’s climate change goals required
39 by the California Global Warming Solutions Act of 2006, Division

1 25.5 (commencing with Section 38500) of the Health and Safety
2 Code.

3 (B) Creating employment opportunities for Californians that
4 would otherwise not be fully realized.

5 (C) Creating opportunities for new businesses, and expanding
6 and retrofitting existing businesses.

7 (D) Expanding the state's utilization of renewable energy.

8 (E) Contributing to the growth of clean technology businesses
9 in California.

10 (5) A failure to act by California will perpetuate the lack of an
11 integrated education, job training, and business infrastructure that
12 otherwise could take advantage of the projected growth in these
13 industries and the corresponding increase in state and local taxes,
14 other public revenues, and additional economic benefits associated
15 with the likely surge in clean technology and renewable energy
16 jobs.

17 (6) The American Solar Energy Association, for example,
18 concluded that in 2006 approximately 3.6 million Americans were
19 directly employed by renewable energy and energy efficiency
20 firms and that another 5 million Americans held jobs indirectly
21 attributable to these industries. The renewable energy and energy
22 efficiency industries of America generated approximately nine
23 hundred seventy-five million dollars (\$975,000,000) in revenue
24 in 2006. These industries could employ a workforce of up to 40
25 million Americans, and could generate four trillion five hundred
26 billion dollars (\$4,500,000,000,000) in annual revenue by 2030 if
27 these industries were expanded aggressively.

28 (7) The Renewable and Appropriate Energy Laboratory at the
29 University of California, Berkeley, found that renewable energy
30 creates more jobs per megawatt of power installed, per unit of
31 energy produced, and per dollar of investment, than the fossil fuel
32 energy-based sector.

33 (8) A study by the Apollo Alliance, a coalition of business,
34 labor, and environmental organizations, showed that a major
35 national investment in renewable energy, alternative automobiles
36 and fuels, high-performance buildings, and infrastructure would
37 result in the creation of nearly 3.5 million green collar jobs for
38 Americans over a 10-year period.

39 (9) Reducing high school dropout and joblessness rates among
40 California's young people who are preparing for and entering the

1 job market are important state priorities and it is especially
2 important that high school and community college students who
3 choose to do so are trained in careers that will help California
4 achieve its greenhouse gas reduction goals and contribute to the
5 development of California’s renewable energy resources.

6 (b) (1) It is the intent of the people of the State of California
7 and the Legislature to stimulate the economy of the State of
8 California, to create tens of thousands of good paying jobs in
9 industries and businesses that are in compliance with the state’s
10 environmental protection laws and regulations, to provide to
11 entrepreneurs and employers the best-trained workforce in the
12 United States, and to prepare young people and adults to work in
13 clean, green industries and professions. These jobs would provide
14 green pathways out of poverty for individuals in communities that
15 suffer higher high school dropout rates, joblessness, and pollution.
16 These jobs would help achieve California’s climate change
17 mitigation obligations and conserve our state’s vital resources of
18 water, air quality, land, and energy. These investments would
19 enable California to offer opportunities for business leaders,
20 communities, young people, and adults alike, all of which would
21 benefit from California’s emerging new green economy.

22 (2) It is the intent of the people of the State of California and
23 the Legislature that federally recognized California Indian tribes
24 should be eligible to apply for and expend funds authorized in this
25 division.

26 (3) It is the intent of the people of the State of California and
27 the Legislature that the grants and loans authorized by this division
28 should be expended on projects that will occur in California.

29 26202. As used in this division, the following terms have the
30 following meanings:

31 (a) “Board” means the Resources Agency.

32 (b) “*Capital outlay project*” means the acquisition of land or
33 other legal property, major construction, improvements, equipment,
34 designs, working plans, specifications, repairs, and equipment
35 necessary in connection with a construction or improvement
36 project.

37 ~~(b)~~

38 (c) “Clean technology projects” means the following:

- 1 (1) Energy audits that include a determination of the energy
2 savings that could be achieved from projects funded under this
3 division and that may be recovered through utility bill financing.
- 4 (2) Retrofitting and weatherization activities that increase energy
5 efficiency and conservation.
- 6 (3) Energy- and water-efficient public buildings.
- 7 (4) Retrofitting and installing energy-efficient household
8 appliances, windows, doors, insulation, and lighting.
- 9 (5) Retrofitting and installing water and energy conservation
10 technologies in existing homes, industrial buildings, commercial
11 and public buildings, and farms, forestlands, and ranches, to
12 improve efficiency, including the use of energy and water
13 management technologies and control systems.
- 14 (6) The manufacture, sale, assembly, installation, construction,
15 and maintenance of energy-efficient technologies and renewable
16 energy facilities or the component parts of renewable energy
17 technologies.
- 18 (7) Projects related to energy-efficient technologies or practices
19 and renewable energy production or the component parts of
20 renewable energy plants and energy distribution, including energy
21 storage, energy infrastructure (including transmission),
22 transportation (including logistics), and water and wastewater
23 (including water conservation).
- 24 (8) Natural resource conservation projects related to adapting
25 to climate change such as fish and wildlife habitat restoration,
26 reforestation, native species preservation, invasive species
27 eradication, and other projects that address stressors on natural
28 resources generated by climate change.
- 29 ~~(e)~~
- 30 (d) “Committee” means the Renewable Energy, Climate Change,
31 Career Technical Education, and Clean Technology Job Creation
32 Finance Committee created pursuant to Section 26208.
- 33 ~~(d)~~
- 34 (e) “Council” means the Renewable Energy, Climate Change,
35 Career Technical Education, and Clean Technology Job Creation
36 Council and shall be comprised of the following five individuals:
37 (1) The Secretary of the Resources Agency, who will serve as
38 chair of the council.
- 39 (2) The Secretary of Labor and Workforce Development.
- 40 (3) The Secretary for Environmental Protection.

- 1 (4) The Superintendent of Public Instruction.
- 2 (5) The Chancellor of the California Community Colleges.
- 3 ~~(e)~~
- 4 (f) “Disadvantaged community” means a community with a
- 5 median household income that is less than 89 percent of the
- 6 statewide average. “Severely disadvantaged community” means
- 7 a community with a median household income that is less than 60
- 8 percent of the statewide average.
- 9 ~~(f)~~
- 10 (g) “Eligible entity” means any of the following:
- 11 (1) A public school that serves grades 7 to 12, inclusive.
- 12 (2) A California community college.
- 13 (3) Other public entity that is dedicated to career technical
- 14 education.
- 15 (4) A publicly or investor-owned utility.
- 16 (5) A nonprofit organization that is qualified under Section
- 17 501(c)(3) of the Internal Revenue Code and that is registered to
- 18 do business in California.
- 19 (6) A labor organization.
- 20 (7) A business entity.
- 21 (8) A state-certified apprenticeship program.
- 22 (9) A regional collaborative consisting of local educational
- 23 agencies, higher education institutions, businesses, labor
- 24 organizations, or community-based organizations, including
- 25 workforce investment boards and regional workforce or economic
- 26 development entities.
- 27 (10) A state or local service organization, including, but not
- 28 limited to, the California Conservation Corps or a certified local
- 29 conservation corps.
- 30 (11) A public postsecondary educational institution.
- 31 (12) Any other entity approved by the council.
- 32 ~~(g)~~
- 33 (h) “Fund” means the Renewable Energy, Climate Change,
- 34 Career Technical Education, and Clean Technology Job Creation
- 35 Fund of 2010 created pursuant to subdivision (a) of Section 26203.
- 36 ~~(h)~~
- 37 (i) “Program participant” means middle or high school pupils,
- 38 community college students, job trainees, or incumbent workers
- 39 served by eligible entities.
- 40 ~~(i)~~

1 (j) “Reconfiguration” means a modification of a structure of
 2 any age that will enhance the educational opportunities for program
 3 participants in order to provide them with the skills and knowledge
 4 necessary for their successful employment in careers directly
 5 related to clean technology, renewable energy, or energy efficiency
 6 that may also contribute to California’s goals to reduce greenhouse
 7 gas emissions. “Reconfiguration” may include new construction
 8 necessary to accommodate the reconfiguration.

9 ~~(j)~~
 10 (k) “Renewable energy projects” means research and
 11 development, manufacturing, generation, development, and
 12 maintenance of appropriately sited power line transmission, power
 13 storage, installation, repair, maintenance, and related activities
 14 necessary to produce energy from wind, photovoltaic, solar
 15 thermal, geothermal, biomass, including cellulosic ethanol,
 16 biodiesel, and biomass power, green waste, and fuel cells.

17 ~~(k)~~
 18 (l) “Revolving loan fund” means the Renewable Energy, Climate
 19 Change, Career Technical Education, and Clean Technology Job
 20 Creation Revolving Loan Fund created pursuant to subdivision
 21 (b) of Section 26203.

22
 23 CHAPTER 2. RENEWABLE ENERGY, CLIMATE CHANGE, CAREER
 24 TECHNICAL EDUCATION, AND CLEAN TECHNOLOGY JOB CREATION
 25 PROGRAM AND FUND OF 2010
 26

27 26203. The proceeds of bonds issued and sold pursuant to this
 28 division shall be administered as follows:

29 (a) The sum of one billion two hundred fifty million dollars
 30 (\$1,250,000,000) shall be deposited into the Renewable Energy,
 31 Climate Change, Career Technical Education, and Clean
 32 Technology Job Creation Fund of 2010, which is hereby created
 33 in the State Treasury. Moneys in the fund shall be administered
 34 by the ~~Resources Agency~~ *State Allocation Board* and be available,
 35 upon appropriation by the Legislature, to those entities specified
 36 in paragraphs (1), (2), and (3) of subdivision ~~(f)~~ (g) of Section
 37 26202 for reconfiguration and used pursuant to Section 26203.2.

38 (b) The sum of one billion dollars (\$1,000,000,000) shall be
 39 deposited into the Renewable Energy, Climate Change, Career
 40 Technical Education, and Clean Technology Job Creation

1 Revolving Loan Fund, which is hereby created in the State
2 Treasury. The moneys in the revolving loan fund shall be
3 administered by the Resources Agency and shall be available upon
4 appropriation by the Legislature, for revolving loans and may be
5 awarded by the council for capital outlay projects undertaken by
6 an eligible entity if the applicant does any of the following:

7 (1) Enters into agreements, including, but not limited to,
8 partnerships, contracts, memoranda of understanding, or other
9 mutually agreed upon arrangements with middle schools, high
10 schools, or community colleges to support middle school career
11 exploration activities; curriculum and professional development;
12 high school pathway programs that integrate academic and
13 technical learning to prepare students for both college and careers,
14 including a sequence or cluster of three or more courses that align
15 with the State Board of Education-approved career technical
16 education standards and frameworks, and may be delivered through
17 high schools, regional occupation centers or programs, adult
18 education programs, partnership academies, or alternative education
19 programs, including continuation schools and programs
20 administered by county offices of education.

21 (2) Enters into agreements, including, but not limited to,
22 partnerships, contracts, memoranda of understanding, or other
23 mutually agreed upon arrangements with any other eligible entity
24 to provide school dropouts or high school graduates with
25 inadequate job skills the knowledge, skills, and credentials
26 necessary for their successful employment in careers directly
27 related to clean technology, renewable energy, or energy efficiency
28 that may also contribute to California’s goals to reduce greenhouse
29 gas emissions.

30 (3) Enters into agreements, including, but not limited to,
31 partnerships, contracts, memoranda of understanding, or other
32 mutually agreed upon arrangements with a state, local, regional,
33 or county program, or qualified nonprofit organization that provides
34 education, job training, or career opportunities for minors or adults
35 on probation or parole or currently incarcerated, or a similar
36 program or organization providing education, job training, or career
37 opportunities to minors or adults as part of an alternative to
38 incarceration or adjudication that is consistent with the Penal Code.

39 26203.2. (a) The Renewable Energy, Climate Change, Career
40 Technical Education, and Clean Technology Job Creation Program

1 of 2010 is hereby established to provide funding to qualifying
2 entities for the purpose of constructing new facilities or
3 reconfiguring existing facilities, including, but not limited to,
4 purchasing equipment with an average useful life expectancy of
5 at least 10 years, to enhance educational opportunities for program
6 participants in order to provide them with the skills and knowledge
7 necessary for their successful employment in careers directly
8 related to clean technology, renewable energy, or energy efficiency
9 that may also contribute to California's goal in reducing greenhouse
10 gas emissions.

11 (b) The council shall develop criteria to evaluate the program.
12 The criteria shall include measures of education, job readiness,
13 and environmental outcomes and shall ensure equity, program
14 relevance to industry needs, and articulation with more advanced
15 coursework at partnering community colleges, public universities,
16 or private institutions.

17 (c) The program shall be based on grant applications
18 administered by the ~~board~~ *State Allocation Board*.

19 (d) Grants shall be allocated on a per-square-foot basis for the
20 applicable type of construction proposed or deemed necessary by
21 the ~~board~~ *State Allocation Board* consistent with the approved
22 application for the project.

23 (e) New construction grants shall not exceed three million
24 dollars (\$3,000,000) per project per eligible entity, including
25 equipment, and shall ~~only be allocated to comprehensive high~~
26 ~~schools that have an active career technical advisory committee~~
27 ~~pursuant to Section 8070 of the Education Code, in be allocated~~
28 *to eligible entities pursuant to subdivision (a) of Section 26203,*
29 *in either of the following methods:*

30 (1) For a stand-alone project on a per-square-foot basis for the
31 applicable type of construction proposed, based on the criteria
32 established pursuant to subdivision (b), consistent with the
33 approved application for the project.

34 (2) For new construction projects, as a supplement to the per
35 pupil allocation pursuant to Section 17072.10 of the Education
36 Code. The supplement is intended to cover excess costs uniquely
37 related to the facilities required to provide the career technical
38 education program or programs.

39 (f) Modernization grants shall not exceed one million five
40 hundred thousand dollars (\$1,500,000) per project per eligible

1 entity, inclusive of equipment and may be awarded to schools
2 serving students in grades 7 to 12, inclusive, community colleges
3 or joint power authorities currently operating career technical
4 education programs that have an active career technical advisory
5 committee pursuant to Section 8070 of the Education Code for the
6 purpose of reconfiguration, or other eligible entities. For schools
7 serving students in grades 7 to 12, inclusive, the grant shall be
8 supplemental to the per pupil allocation pursuant to Section
9 17074.10 of the Education Code. The supplement is intended to
10 cover excess costs uniquely related to the facilities required to
11 provide the career technical education program or programs.

12 (g) (1) ~~A school or community college district~~ *An eligible entity*
13 shall contribute from local resources a dollar amount that is equal
14 to the amount of the grant of state funds awarded under
15 subdivisions (d), (e), and (f). The local contribution may be
16 provided by private industry groups, the school district, or a joint
17 powers authority.

18 (2) A school or community college district shall not be required
19 to demonstrate that it has unhoused pupils or that a permanent
20 school building is more than 25 years old in order to receive a
21 grant under the program.

22 (h) The program shall allow the local contribution to be paid
23 over time should sufficient local funds not be immediately
24 available. ~~The board~~ *State Allocation Board* may provide for a
25 repayment schedule consistent with subparagraphs (C) and (D) of
26 paragraph (1) of subdivision (a) of Section 17078.57 of the
27 Education Code. The board shall not waive the local contribution
28 on the basis of financial hardship or on any other basis.

29 (i) Applications shall meet the criteria developed under
30 subdivision (b) and shall require all of the following:

31 (1) A clear and comprehensive career technical education plan
32 for each course of study applicable to the instructional space, *that*
33 *includes programs that focus on clean technology, renewable*
34 *energy, or energy efficient systems.*

35 (2) Projections of program participant enrollment.

36 (3) Identification of feeder schools and institutions, industry
37 partners, community colleges, or other postsecondary schools
38 participating in the development, articulation, and review of the
39 educational program, or other appropriate collaborating entities.

1 (4) Evidence of approval of the plan by the entities listed in
2 paragraph (3).

3 (5) The method by which accountability for program participant
4 enrollments and outcomes will be maintained. Outcomes shall
5 include, but are not limited to, certificate completion, the successful
6 employment of program participants in the applicable industry,
7 and successful transition to postsecondary institutions for work in
8 the applicable industry or other areas of study.

9 (6) Evidence of coordination with all feeder schools, middle
10 schools, high schools, or other relevant entities within the area to
11 ensure that the project and programs complement career technical
12 education offerings in the area.

13 (7) Evidence that upon completion of the project that local
14 educational agencies will meet all of their obligations under Section
15 51228 of the Education Code relating to career technical education.

16 (j) Applications shall give weight to the number of program
17 participants expected to attend, the cost per program participant,
18 financial participation by industry partners in the construction and
19 equipping of the facility, commitment to accountability for
20 outcomes and participation, the strength and relevance of the
21 educational plans to the needs of industry for qualified technical
22 employees applicable to the economic development and
23 environmental needs of the region in which the project will be
24 located, and coordination and articulation with feeder schools,
25 other high schools, and community colleges.

26 ~~(k) The Office of Public School Construction shall develop and~~
27 ~~the board shall approve, regulations to implement this division on~~
28 ~~or before June 1, 2011, and the board may promulgate those~~
29 ~~regulations first on an emergency basis, which shall be effective~~
30 ~~for no more than 12 months, after which any permanent regulations~~
31 ~~shall be promulgated in accordance with the Administrative~~
32 ~~Procedure Act (Chapter 3.5 (commencing with Section 11340) of~~
33 ~~Part 1 of Division 3 of Title 2 of the Government Code).~~

34 *(k) The State Allocation Board shall implement this division*
35 *pursuant to applicable regulations and guidelines established by*
36 *the council.*

37 26204. (a) The council shall develop guidelines for competitive
38 grants and revolving loans for the purposes set forth in Section
39 26203. Priority shall be given to eligible entities that include
40 significant matching funds, as determined by the council, as a part

1 of their application. A minimum of 15 percent of the funds granted
2 shall benefit severely disadvantaged communities.

3 (b) The council may use appropriate state agency personnel in
4 administering the public outreach, education, technical assistance,
5 guideline development, and grant application review provisions
6 if these efforts are otherwise consistent with this division.

7 (c) The council shall award grants and adopt guidelines for
8 awarding competitive grants as set forth in this division.

9 (d) *The council shall develop guidelines to implement programs,*
10 *including, but not limited to, specifying terms and conditions for*
11 *loans, including, but not limited to, the maximum loan amounts,*
12 *conditions under which loan recipients may charge participants*
13 *for education and training, and procedures in the event of a loan*
14 *default.*

15 (e) *The council shall give priority for grants and loans to eligible*
16 *programs serving pupils in grades 7 to 12, inclusive, or otherwise*
17 *focusing on early workforce preparation and dropout prevention.*

18 (f) *The council shall determine the interest rate on a loan*
19 *provided pursuant to this division based on the rate paid on moneys*
20 *in the Pooled Money Investment Account as of the date of*
21 *disbursement of the funding.*

22

23 CHAPTER 3. MISCELLANEOUS PROVISIONS

24

25 26205. (a) The Legislature may enact legislation necessary to
26 implement this division.

27 (b) Every proposed activity or project to be financed pursuant
28 to this division shall be in compliance with the California
29 Environmental Quality Act, Division 13 (commencing with Section
30 21000).

31 (c) Acquisitions of real property pursuant to this division shall
32 be from willing sellers.

33 (d) Up to 5 percent of the funds allocated to a program pursuant
34 to this division may be used to pay the costs incurred in the
35 administration of that program.

36 (e) The body awarding a contract for a public works project
37 financed in part from funds made available pursuant to this division
38 shall adopt and enforce, or contract with a third party to enforce,
39 a labor compliance program pursuant to subdivision (b) of Section

1 1771.5 of the Labor Code that shall be applicable to that public
2 works project.

3 (f) The guidelines developed by the council shall establish a
4 preference or priority for projects that involve the California
5 Conservation Corps or a certified local conservation corps.

6 (g) The guidelines developed by the council shall establish
7 whether, and in what amount, an applicant must offer a matching
8 contribution.

9 (h) Chapter 3.5 (commencing with Section 11340) of Part 1 of
10 Division 3 of Title 2 of the Government Code does not apply to
11 the development and adoption of program guidelines and selection
12 criteria adopted pursuant to this division.

13 (i) The chair of the council shall provide for an annual
14 independent audit of expenditures pursuant to this division to
15 ensure that all moneys are expended in accordance with this
16 division.

17 26205.5. The provisions of this division are severable. If any
18 provision of this division or its application is held invalid, that
19 invalidity shall not affect other provisions or applications that can
20 be given effect without the invalid provision or application.

21

22 CHAPTER 4. FISCAL PROVISIONS

23

24 26206. Bonds in the total of two billion two hundred fifty
25 million dollars (\$2,250,000,000), or so much thereof as is
26 necessary, not including the amount of any refunding bonds, or so
27 much thereof as is necessary, may be issued and sold to provide
28 a fund to be used for carrying out the purposes expressed in this
29 division and to reimburse the General Obligation Bond Expense
30 Revolving Fund pursuant to Section 16724.5 of the Government
31 Code. The bonds, when sold, shall be and constitute a valid and
32 binding obligation of the State of California, and the full faith and
33 credit of the State of California is hereby pledged for the punctual
34 payment of both principal of, and interest on, the bonds as the
35 principal and interest become due and payable.

36 26207. The bonds authorized by this division shall be prepared,
37 executed, issued, sold, paid, and redeemed as provided in the State
38 General Obligation Bond Law (Chapter 4 (commencing with
39 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
40 Code), except subdivision (a) of Section 16727 of the Government

1 Code to the extent that it is inconsistent with this division, and all
2 of the other provisions of that law as amended from time to time
3 apply to the bonds and to this division and are hereby incorporated
4 in this division as though set forth in full in this division.

5 26208. (a) Solely for the purpose of authorizing the issuance
6 and sale pursuant to the State General Obligation Bond Law of
7 the bonds authorized by this division, the Renewable Energy,
8 Climate Change, Career Technical Education, and Clean
9 Technology Job Creation Finance Committee is hereby created.
10 For the purposes of this division, the Renewable Energy, Climate
11 Change, Career Technical Education, and Clean Technology Job
12 Creation Finance Committee is “the committee” as that term is
13 used in the State General Obligation Bond Law. The committee
14 consists of the Treasurer, the Controller, and the Director of
15 Finance, or a designated representative of each of those officials.
16 The Treasurer shall serve as the chairperson of the committee. A
17 majority of the committee may act for the committee.

18 (b) For the purposes of the State General Obligation Bond Law,
19 the Resources Agency is designated to be the “board.”

20 26209. (a) Upon request of the board stating that funds are
21 needed for purposes of this division, the committee shall determine
22 whether or not it is necessary or desirable to issue bonds authorized
23 pursuant to this division in order to carry out the actions specified
24 in Chapter 2 (commencing with Section 26203), and, if so, the
25 amount of bonds to be issued and sold. Successive issues of bonds
26 may be authorized and sold to carry out those actions progressively,
27 and it is not necessary that all of the bonds authorized to be issued
28 be sold at any one time.

29 (b) Of the one billion two hundred fifty million dollars
30 (\$1,250,000,000) generated from the sale of the bond and deposited
31 into the fund for the purposes specified in subdivision (a) of Section
32 26203, the committee may establish the term of the bond, not to
33 exceed 30 years.

34 (c) Of the one billion dollars (\$1,000,000,000) generated from
35 the sale of the bond and deposited into the revolving loan fund for
36 the purposes specified in subdivision (b) of Section 26203, the
37 committee may establish the terms of the bond, not to exceed 15
38 years.

39 26210. There shall be collected each year in the same manner
40 and at the same time as other state revenue is collected, in addition

1 to the ordinary revenues of the state, a sum in an amount required
2 to pay the principal of, and interest on, the bonds each year. It is
3 the duty of all officers charged by law with any duty in regard to
4 the collection of the revenue to do and perform each and every act
5 that is necessary to collect that additional sum.

6 26211. Notwithstanding Section 13340 of the Government
7 Code, there is hereby appropriated from the General Fund in the
8 State Treasury, for the purposes of this division, an amount that
9 will equal the total of the following:

10 (a) The sum annually necessary to pay the principal of, and
11 interest on, bonds issued and sold pursuant to this division, as the
12 principal and interest become due and payable.

13 (b) The sum necessary to carry out Section 26212, appropriated
14 without regard to fiscal years.

15 26212. For the purpose of carrying out this division, the
16 Director of Finance may authorize the withdrawal from the General
17 Fund of an amount not to exceed the amount of the unsold bonds
18 that have been authorized by the committee to be sold for the
19 purpose of carrying out this division. Any amounts withdrawn
20 shall be deposited in the fund. Any money made available under
21 this section shall be returned to the General Fund, plus the interest
22 the amounts would have earned in the Pooled Money Investment
23 Account, from proceeds received from the sale of bonds for the
24 purpose of carrying out this division.

25 26213. All money deposited in the fund that is derived from
26 premium and accrued interest on bonds sold shall be reserved in
27 the fund and shall be available for transfer to the General Fund as
28 a credit to expenditures for bond interest.

29 26214. Pursuant to Chapter 4 (commencing with Section
30 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
31 the cost of bond issuance shall be paid out of the bond proceeds.
32 These costs shall be shared proportionally by each program funded
33 through this bond act.

34 26215. The board may request the Pooled Money Investment
35 Board to make a loan from the Pooled Money Investment Account,
36 including other authorized forms of interim financing that include,
37 but are not limited to, commercial paper, in accordance with
38 Section 16312 of the Government Code, for purposes of carrying
39 out this division. The amount of the request shall not exceed the
40 amount of the unsold bonds that the committee, by resolution, has

1 authorized to be sold for the purpose of carrying out this division.
2 The board shall execute any documents required by the Pooled
3 Money Investment Board to obtain and repay the loan. Any
4 amounts loaned shall be deposited in the fund to be allocated in
5 accordance with this division.

6 26216. The bonds may be refunded in accordance with Article
7 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
8 Division 4 of Title 2 of the Government Code, which is a part of
9 the State General Obligation Bond Law. Approval by the voters
10 of the state for the issuance of the bonds described in this division
11 includes the approval of the issuance of any bonds issued to refund
12 any bonds originally issued under this division or any previously
13 issued refunding bonds.

14 26217. Notwithstanding any other provision of this division,
15 or of the State General Obligation Bond Law, if the Treasurer sells
16 bonds pursuant to this division that include a bond counsel opinion
17 to the effect that the interest on the bonds is excluded from gross
18 income for federal tax purposes, subject to designated conditions,
19 the Treasurer may maintain separate accounts for the investment
20 of bond proceeds and for the investment of earnings on those
21 proceeds. The Treasurer may use or direct the use of those proceeds
22 or earnings to pay any rebate, penalty, or other payment required
23 under federal law or take any other action with respect to the
24 investment and use of those bond proceeds required or desirable
25 under federal law to maintain the tax exempt status of those bonds
26 and to obtain any other advantage under federal law on behalf of
27 the funds of this state.

28 26218. The Legislature hereby finds and declares that,
29 inasmuch as the proceeds from the sale of bonds authorized by
30 this division are not “proceeds of taxes” as that term is used in
31 Article XIII B of the California Constitution, the disbursement of
32 these proceeds is not subject to the limitations imposed by that
33 article.

34 SEC. 2. Section 1 of this act shall take effect only upon the
35 approval by the voters of the Renewable Energy, Climate Change,
36 Career Technical Education, and Clean Technology Job Creation
37 Bond Act of 2010, as set forth in Section 1 of this act.

38 SEC. 3. Section 1 of this act shall be submitted to the voters
39 at the 2010, ____ election in accordance with provisions of the

1 Government Code and the Elections Code governing the
2 submission of a statewide measure to the voters.

3 SEC. 4. (a) Notwithstanding any other provision of law, all
4 ballots of the election shall have printed thereon and in a square
5 thereof, the words: “Renewable Energy, Climate Change, Career
6 Technical Education, and Clean Technology Job Creation Bond
7 Act of 2010” and in the same square under those words, the
8 following in 8-point type: “This act provides for bond issue of two
9 billion two hundred fifty million dollars (\$2,250,000,000) to
10 provide funds for a Renewable Energy, Climate Change, Career
11 Technical Education, and Clean Technology Job Creation
12 Program.” Opposite the square, there shall be left spaces in which
13 the voters may place a cross in the manner required by law to
14 indicate whether they vote for or against the act.

15 (b) Notwithstanding Sections 13247 and 13281 of the Elections
16 Code, the language in subdivision (a) shall be the only language
17 included in the ballot label for the condensed statement of the
18 ballot title, and the Attorney General shall not supplement, subtract
19 from, or revise that language, except that the Attorney General
20 may include the financial impact summary prepared pursuant to
21 Section 9087 of the Elections Code and Section 88003 of the
22 Government Code.

23 (c) Where the voting in the election is done by means of voting
24 machines used pursuant to law in a manner that carries out the
25 intent of this section, the use of the voting machines and the
26 expression of the voters’ choice by means thereof are in compliance
27 with this section.