

## Senate Bill No. 1022

### CHAPTER 42

An act to amend Sections 15819.40, 15819.401, 15819.402, 15819.403, 15819.404, 15820.903, and 15820.913 of, to amend and renumber the heading of Chapter 3.12 (commencing with Section 15820.100) of Part 10b of Division 3 of Title 2 of, to add Chapter 3.13 (commencing with Section 15820.92) to Part 10b of Division 3 of Title 2 of, and to repeal Chapter 3.2.2 (commencing with Section 15819.41) of Part 10b of Division 3 of Title 2 of, the Government Code, and to amend Section 7050 of, to repeal Section 7021 of, and to repeal Chapter 9.8 (commencing with Section 6270) of Title 7 of Part 3 of, the Penal Code, relating to correctional facilities, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2012. Filed with  
Secretary of State June 27, 2012.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1022, Committee on Budget and Fiscal Review. Correctional facilities.

Existing law, the Public Safety and Offender Rehabilitation Services Act of 2007, authorizes certain revenue bond construction of prison facilities. Under phase I of the act, the Department of Corrections and Rehabilitation is authorized to design, construct, or renovate housing units, support buildings, and programming space in order to add up to 12,000 beds at facilities under its jurisdiction. The department is also authorized to acquire land, design, construct, and renovate reentry program facilities to provide housing for up to 6,000 inmates, as specified, and to design and construct new, or renovate existing, buildings and any necessary ancillary improvements, at facilities under the jurisdiction of the department to provide medical, dental, and mental health treatment or housing for up to 6,000 inmates. The provisions of phase I of the act authorize the State Public Works Board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance the acquisition, design, and construction pursuant to those provisions, and provides that the authorized costs for the acquisition, design, and construction shall not exceed \$1,800,000,000, \$975,000,000, and \$857,100,000, respectively, for the costs of the projects specified above. The provisions of phase I also authorize the board to borrow funds for project costs, including acquisition, design, construction, and construction-related costs, from the Pooled Money Investment Account, as specified.

This bill would instead authorize the department to design and construct new, or renovate existing, housing units, support buildings, programming space, and any necessary ancillary improvements in order to add capacity

at facilities and to provide medical, dental, and mental health treatment or housing to inmates, and would specify the facilities and projects for which funds may be used. The bill would revise the maximum amount of costs authorized for the design and construction of the projects specified above. The bill would delete the provisions authorizing the department to acquire land, design, construct, and renovate reentry program facilities.

Existing law appropriates \$300,000,000 from the General Fund for capital outlay to be allocated to renovate, improve, or expand infrastructure capacity at existing prison facilities. Existing law authorizes the funds to be used for specified other purposes, including for study and acquisition of options to purchase real property for reentry facilities, as specified.

This bill would eliminate the authorization to use the funds for study and acquisition of options to purchase real property for reentry facilities and would authorize the funds to be used for the design and construction of improvements to medication distribution facilities at state prison facilities. The bill would also revise various reporting and accounting requirements with respect to the funds.

Under phase II of the act, the department is required to complete site assessments at facilities where it intends to construct or renovate additional housing units, support buildings, and programming space in order to add up to 4,000 beds at facilities under its jurisdiction. Those provisions authorize the department to design and construct new, or renovate existing, buildings and any necessary ancillary improvements at facilities to provide medical, dental, and mental health treatment or housing for up to 2,000 inmates, and to acquire land, design, construct, and renovate reentry program facilities throughout the state that will house up to 10,000 inmates. Phase II of the act authorizes the State Public Works Board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance those projects.

This bill would repeal phase II of the act.

Existing law authorizes the Department of Corrections and Rehabilitation, participating counties, and the State Public Works Board to acquire, design, and construct local jail facilities approved by the Corrections Standards Authority. Existing law authorizes the State Public Works Board to issue revenue bonds, notes, or bond anticipation notes in the amounts of \$617,119,000 and \$602,881,000 to finance the acquisition, design, and construction, and a reasonable construction reserve, of approved local jail facilities, as specified. The funds derived from those revenue bonds, notes, or bond anticipation notes are continuously appropriated for the purposes described above.

This bill would decrease the authorization for revenue bonds, notes, or bond anticipation notes from \$617,119,000 to \$445,771,000 and increase the authorization of \$602,881,000 to \$774,229,000. By increasing moneys deposited into a continuously appropriated fund, this bill would make an appropriation.

The bill would authorize the Board of State and Community Corrections, the State Public Works Board, and a participating county, as defined, to

acquire, design, and construct an adult local criminal justice facility approved by the Board of State and Community Corrections, or to acquire a site or sites owned by, or subject to a lease option to purchase held by, a participating county. The bill would authorize the State Public Works Board to issue up to \$500,000,000 in revenue bonds, notes, or bond anticipation notes to finance the acquisition, design, and construction of approved adult local criminal justice facilities, and would continuously appropriate the funds for those purposes.

The bill would authorize the Department of Corrections and Rehabilitation to design and construct 3 level II dorm facilities adjacent to specified institutions, including Folsom State Prison, and would authorize the department to use specified funds previously appropriated to complete site suitability studies at those locations. The bill would authorize the State Public Works Board to issue up to \$810,000,000 in revenue bonds, notes, or bond anticipation notes to finance design, construction, and construction-related costs for this project, and would continuously appropriate those funds for purposes relating to the project. The bill would also require the department, after completion of 3 Level II dorm facilities, to remove all inmates from, cease operations of, and close the California Rehabilitation Center in Norco, as specified.

The bill would also make nonsubstantive, technical changes.

The bill would appropriate the sum of \$1,000 from the General Fund to the Department of Corrections and Rehabilitation for administration.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

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

SECTION 1. Section 15819.40 of the Government Code is amended to read:

15819.40. (a) (1) (A) The Department of Corrections and Rehabilitation may design and construct new, or renovate existing, housing units, support buildings, programming space, and any necessary ancillary improvements in order to add capacity at facilities under its jurisdiction. The department shall complete site assessments at facilities at which it intends to construct or renovate additional housing units, support buildings, programming space, or ancillary improvements. The department may use the funding provided in Section 28 of Chapter 7 of the Statutes of 2007 to complete these site assessments.

(B) The authority contained in subparagraph (A) may be used to develop new beds including appropriate programmatic space pursuant to paragraph (2) and, together with the funds appropriated in Section 15819.403 for this purpose, shall constitute the scope of a single capital outlay project for purposes of calculating augmentations pursuant to Section 13332.11 or Section 13332.19 as described in Section 15819.401.

(2) Any new beds constructed pursuant to this section shall be supported by rehabilitative programming for inmates, including, but not limited to, education, vocational programs, substance abuse treatment programs, employment programs, and prerelease planning.

(3) The authority contained in this subdivision may be used to develop beds and treatment space to serve inmates requiring mental health or medical services. Any beds developed with a medical or mental health purpose shall be supported with rehabilitative programming, as defined in paragraph (2), that is consistent with the medical or mental health services required by the inmates.

(b) The Department of Corrections and Rehabilitation is authorized to design and construct new, or renovate existing, buildings and any necessary ancillary improvements, at facilities under the jurisdiction of the department to provide medical, dental, and mental health treatment or housing and, together with the funds appropriated in Section 15819.403 for this purpose, this shall constitute the scope and cost of a single capital outlay project for purposes of calculating augmentations pursuant to Section 13332.11 or Section 13332.19 as described in Section 15819.401.

(c) (1) The scope and cost of each project authorized by this chapter shall be established individually by the board. The amount of the total appropriations in Section 15819.403 that is necessary for each project shall be allocated to each project. The appropriations may be allocated based on current estimates. These allocations may be adjusted commensurate to changes that occur during the progression of the projects. As allocations are made or adjusted, the anticipated deficit or savings shall be continuously tracked and reported. Once the total appropriation has been allocated, any augmentation necessary to fund an anticipated deficit shall be based on the total applicable capital outlay appropriation in Section 15819.403 and applied to each project allocation as necessary.

(2) Concurrent with the request to the board to establish each project in the Health Care Facility Improvement Program, the department shall report the associated scope, cost, and schedule information to the Joint Legislative Budget Committee.

(3) The reporting requirements set forth in Sections 7000 to 7003.5, inclusive, of the Penal Code shall apply separately to each project authorized pursuant to this chapter.

SEC. 2. Section 15819.401 of the Government Code is amended to read: 15819.401. The scope and costs of the projects authorized by this chapter shall be subject to approval and administrative oversight by the board, including augmentations, pursuant to Section 13332.11 or Section 13332.19. For purposes of this chapter, the availability of an augmentation for each individual project allocation shall be calculated based on the total applicable capital outlay appropriation contained in Section 15819.403 and is not limited to 20 percent of the individual project allocation.

SEC. 3. Section 15819.402 of the Government Code is amended to read: 15819.402. For all projects authorized by this chapter, the board may borrow funds for project costs, including studies, design, construction, and

construction-related costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313. Except for preliminary expenditures to develop the scope, budget, programming, and scheduling for a project, project funds expended prior to project approval by the board shall not be reimbursable from the proceeds of the bonds.

SEC. 4. Section 15819.403 of the Government Code is amended to read:

15819.403. (a) The board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to this part to finance the design and construction, including, without limitation, renovation, and the costs of interim financing of the projects authorized in Section 15819.40. Authorized costs for design and construction, including, without limitation, renovation, and construction-related costs for all projects approved for financing by the board shall not exceed one billion six million three hundred sixty-nine thousand dollars (\$1,006,369,000) for subdivision (a) of Section 15819.40, and one billion forty-six million five hundred seventy-nine thousand dollars (\$1,046,579,000) for subdivision (b) of Section 15819.40.

(b) Notwithstanding Section 13340, funds derived from interim financing, revenue bonds, negotiable notes, or negotiable bond anticipation notes issued pursuant to this chapter are hereby continuously appropriated to the board on behalf of the Department of Corrections and Rehabilitation for the purposes specified in Section 15819.40.

(c) For the purposes of this section, “construction-related costs” shall include mitigation costs of local government and school districts and shall be made available pursuant to subdivisions (c) and (d) of Section 7005.5 of the Penal Code. It is the intent of the Legislature that any payments made for mitigation shall be made in a timely manner.

(d) Notwithstanding any other law, the financing authorized in this section for projects approved pursuant to subdivision (a) of Section 15819.40 shall only be used for the California Health Care Facility, Stockton project and the conversion of the DeWitt Nelson Youth Correctional Facility to a semiautonomous annex facility to the California Health Care Facility. In addition, the financing authorized in this section for projects approved pursuant to subdivision (b) of Section 15819.40 shall only be used for the following projects:

- (1) The California Medical Facility, Vacaville: Intermediate Care Facility.
- (2) The California Institution for Women, Chino: Acute/Intermediate Care Facility.
- (3) The California State Prison Los Angeles County, Lancaster: Enhanced Outpatient Program Treatment and Office Space.
- (4) The California Men’s Colony, San Luis Obispo: Mental Health Crisis Beds Facility.
- (5) The California Medical Facility, Vacaville: Enhanced Outpatient Program Treatment and Office Space.
- (6) The California State Prison, Sacramento: Psychiatric Services Unit Treatment and Office Space.
- (7) The California State Prison, Corcoran: Administrative Segregation Unit/Enhanced Outpatient Program Treatment and Office Space.

(8) The Salinas Valley State Prison, Soledad: Enhanced Outpatient Program Treatment and Office Space.

(9) The Central California Women's Facility, Chowchilla: Enhanced Outpatient Program Treatment and Office Space.

(10) All projects established by the board in the Health Care Facility Improvement Program.

SEC. 5. Section 15819.404 of the Government Code is amended to read: 15819.404. Notwithstanding Section 15819.403, the amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold may include the following:

(a) The cost of design and construction, including, without limitation, renovation, or construction management and supervision, and other costs related to the design and construction, including, without limitation, renovation, of the facilities, including augmentations.

(b) Sums necessary to pay interim financing.

(c) In addition to the amount authorized by Section 15819.403, any additional amount as may be authorized by the board to establish a reasonable construction reserve and to pay the costs of financing, including the payment of interest prior to, during, and for a period of six months after construction of the project, the cost of financing a debt-service reserve fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim loan for the facility from the General Fund or the Pooled Money Investment Account pursuant to Sections 16312 and 16313.

SEC. 6. Chapter 3.2.2 (commencing with Section 15819.41) of Part 10b of Division 3 of Title 2 of the Government Code is repealed.

SEC. 7. Section 15820.903 of the Government Code is amended to read: 15820.903. (a) The SPWB may issue up to four hundred forty-five million seven hundred seventy-one thousand dollars (\$445,771,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 of Part 10b of Division 3 of Title 2 (commencing with Section 15830) to finance the acquisition, design, or construction, and a reasonable construction reserve, of approved local jail facilities described in Section 15820.901, and any additional amount authorized under Section 15849.6 to pay for the cost of financing.

(b) Proceeds from the revenue bonds, notes, or bond anticipation notes may be utilized to reimburse a participating county for the costs of acquisition, preliminary plans, working drawings, and construction for approved projects.

(c) Notwithstanding Section 13340, funds derived pursuant to this section and Section 15820.902 are continuously appropriated for purposes of this chapter.

(d) This section shall become inoperative on June 30, 2017, and no project may be commenced after that date; however, projects that have already commenced by that date may be completed and financed with bonds issued pursuant to this chapter.

SEC. 8. Section 15820.913 of the Government Code is amended to read:

15820.913. (a) The SPWB may issue up to seven hundred seventy-four million two hundred twenty-nine thousand dollars (\$774,229,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 of Part 10b of Division 3 of Title 2 (commencing with Section 15830) to finance the acquisition, design, or construction, and a reasonable construction reserve, of approved local jail facilities described in Section 15820.911, and any additional amount authorized under Section 15849.6 to pay for the cost of financing.

(b) Proceeds from the revenue bonds, notes, or bond anticipation notes may be used to reimburse a participating county for the costs of acquisition, preliminary plans, working drawings, and construction for approved projects.

(c) Notwithstanding Section 13340, funds derived pursuant to this section and Section 15820.912 are continuously appropriated for purposes of this chapter.

SEC. 9. Chapter 3.13 (commencing with Section 15820.92) is added to Part 10b of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 3.13. FINANCING OF ADULT LOCAL CRIMINAL JUSTICE FACILITIES

15820.92. For purposes of this chapter, “participating county” means any county, or regional consortium of counties, within the state that has been certified to the State Public Works Board (the board) by the Board of State and Community Corrections (BSCC) as having satisfied all of the requirements set forth in Section 15820.925 for financing an adult local criminal justice facility pursuant to this chapter. For purposes of this chapter, an adult local criminal justice facility may include any custodial housing, reentry, program, mental health, or treatment space necessary to manage the adult offender population consistent with the legislative intent described in Sections 17.5 and 3450 of the Penal Code under the jurisdiction of the sheriff or county department of corrections, as may be applicable, to be further defined by the BSCC in duly adopted regulations.

(a) The BSCC, a participating county, and the board are authorized to acquire, design, and construct an adult local criminal justice facility approved by the BSCC pursuant to Section 15820.925, or to acquire a site or sites owned by, or subject to a lease or option to purchase held by, a participating county. For the purposes of this chapter, acquisition shall include, but is not limited to, acquisition of completed facilities through a build-to-suit purchase. Facilities financed pursuant to this chapter may be delivered through either a design-bid-build or a design-build process. The ownership interest of a participating county in the site or sites for an adult local criminal justice facility shall be determined by the board to be adequate for purposes of its financing in order to be eligible under this chapter.

(b) Notwithstanding Section 14951, the participating county may assign an inspector during the construction of the adult local criminal justice facility.

(c) The BSCC, a participating county, and the board shall enter into an agreement for each adult local criminal justice facility that shall provide, at a minimum, performance expectations of the parties related to the acquisition, design, and construction, including, without limitation, renovation, of the adult local criminal justice facility; guidelines and criteria for use and application of the proceeds of revenue bonds, notes, or bond anticipation notes issued by the board to pay for the cost of the approved adult local criminal justice facility; and ongoing maintenance and staffing responsibilities for the term of the financing.

(d) The agreement shall include a provision that the participating county agrees to indemnify, defend, and hold harmless the State of California for any and all claims and losses arising out of the acquisition, design, and construction of the adult local criminal justice facility. The agreement may also contain additional terms and conditions that facilitate the financing by the board.

(e) The scope and cost of the adult local criminal justice facilities shall be subject to approval and administrative oversight by the board.

(f) For purposes of compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), neither the board nor the BSCC shall be deemed a lead or responsible agency and the participating county shall be the lead agency.

15820.921. Upon a participating county's receipt of responsive construction bids or design-build proposals, or a participating county's notification to the board of its intent to exercise a purchase option, the board and the BSCC may borrow funds for project costs after the adult local criminal justice facility has been certified pursuant to Section 15820.92 from the Pooled Money Investment Account pursuant to Sections 16312 and 16313, or from any other appropriate source. In the event any of the revenue bonds, notes, or bond anticipation notes authorized by this chapter are not sold, the BSCC shall commit a sufficient amount of its support appropriation to repay any loans made for an approved adult local criminal justice facility.

15820.922. (a) The board may issue up to five hundred million dollars (\$500,000,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 (commencing with Section 15830) to finance the acquisition, design, and construction, including, without limitation, renovation, and a reasonable construction reserve, of approved adult local criminal justice facilities described in Section 15820.920, and any additional amount authorized under Section 15849.6 to pay for the cost of financing.

(b) Proceeds from the revenue bonds, notes, or bond anticipation notes may be used to reimburse a participating county for the costs of acquisition, design, and construction, including, without limitation, renovation, for approved adult local criminal justice facilities.

(c) Notwithstanding Section 13340, funds derived pursuant to this section and Section 15820.921 are continuously appropriated for purposes of this chapter.

15820.923. In support of this state financing, the Legislature finds and declares all of the following:

(a) The county adult criminal justice system needs more housing, program, and treatment space to manage the adult offender population under its jurisdiction.

(b) Appropriate county adult criminal justice housing, program, and treatment space will enhance public safety throughout the state by providing increased access to appropriate programs or treatment.

(c) By expanding county adult criminal justice capacity, this financing will serve a critical state purpose by promoting public safety.

(d) This purpose represents valuable consideration in exchange for this state action.

15820.924. With the consent of the board, the BSCC and a participating county are authorized to enter into leases or subleases, as lessor or lessee, for any property or approved adult local criminal justice facility and are further authorized to enter into contracts or other agreements for the use, maintenance, and operation of the adult local criminal justice facility in order to facilitate the financing authorized by this chapter. In those leases, subleases, or other agreements, the participating county shall agree to indemnify, defend and hold harmless the State of California for any and all claims and losses accruing and resulting from or arising out of the participating county's use and occupancy of the adult local criminal justice facility.

15820.925. (a) The BSCC shall adhere to its duly adopted regulations for the approval or disapproval of adult local criminal justice facilities. The BSCC shall also consider cost-effectiveness in determining approval or disapproval. No state moneys shall be encumbered in contracts let by a participating county until one of the following occur:

(1) Final architectural plans and specifications have been approved by the BSCC, and subsequent construction bids have been received.

(2) Documents prepared by a participating county pursuant to paragraph (1) of subdivision (d) of Section 20133 of the Public Contract Code have been approved by the BSCC, and subsequent design-build proposals have been received pursuant to that section.

(3) The participating county has notified the board of its intent to exercise an option to purchase the completed facility pursuant to Section 15820.921.

(b) The review and approval of plans, specifications, or other documents by the BSCC are for the purpose of ensuring the proper administration of moneys and the determination of whether the adult local criminal justice facility specifications comply with law and regulation. The BSCC may require changes in construction materials to enhance safety and security if materials proposed at the time of final plans and specifications are not essential and customary as used statewide for facilities of the same security level. Participating counties are responsible for the acquisition, design, construction, staffing, operation, repair, and maintenance of the adult local criminal justice facility.

(c) The BSCC shall establish minimum standards, funding schedules, and procedures, which shall take into consideration, but not be limited to, the following:

(1) Certification by a participating county of control of the adult local criminal justice facility site through either fee simple ownership of the site or comparable long-term possession of the site, and right of access to the adult local criminal justice facility sufficient to ensure undisturbed use and possession.

(2) Documentation of the need for the adult local criminal justice facility.

(3) A written adult local criminal justice facility proposal.

(4) Submittal of a staffing plan for the adult local criminal justice facility, including operational cost projections and documentation that the adult local criminal justice facility will be able to be safely staffed and operated within 90 days of completion, as may be applicable.

(5) Submittal of architectural drawings, which shall be approved by the BSCC for compliance with minimum adult detention facility standards and that shall also be approved by the State Fire Marshal for compliance with fire safety and life safety requirements.

(6) Documentation evidencing compliance with the California Environmental Quality Act.

(7) Provisions intended to maintain the tax-exempt status of the bonds, notes, or bond anticipation notes issued by the board.

15820.926. (a) The participating county contribution for adult local criminal justice facilities financed under this chapter shall be a minimum of 10 percent of the total project costs. The BSCC may reduce contribution requirements for participating counties with a general population below 200,000 upon petition by a participating county to the BSCC requesting a lower level of contribution.

(b) The BSCC shall determine the funding criteria. Funding consideration shall be given to counties that are seeking to replace existing compacted, outdated, or unsafe housing capacity or are seeking to renovate existing or build new facilities that provide adequate space for the provision of treatment and rehabilitation services, including mental health treatment. Funding preference shall be given to counties that are most prepared to proceed successfully with this financing in a timely manner. The determination of preparedness to proceed shall include, but not be limited to, counties providing documentation of adequate, available matching funds authorized by the county board of supervisors from a source or sources compatible with this financing authority as determined by the State Public Works Board in its sole discretion. A participating county may only add housing capacity using this financing authority if the requesting county clearly documents an existing housing capacity deficiency. Any county requesting to add housing capacity using this financing authority shall be required to certify and covenant in writing that the county is not and will not be leasing housing capacity to any other public or private entity for a period of 10 years beyond the completion date of the adult local criminal justice facility.

SEC. 10. The heading of Chapter 3.12 (commencing with Section 15820.100) of Part 10b of Division 3 of Title 2 of the Government Code, as added by Section 1 of Chapter 245 of the Statutes of 2007, is amended and renumbered to read:

CHAPTER 3.14. FINANCING OF SAN QUENTIN STATE PRISON CENTRAL  
HEALTH SERVICES FACILITIES

SEC. 11. Chapter 9.8 (commencing with Section 6270) of Title 7 of Part 3 of the Penal Code is repealed.

SEC. 12. Section 7021 of the Penal Code is repealed.

SEC. 13. Section 7050 of the Penal Code is amended to read:

7050. (a) (1) Section 28 of Chapter 7 of the Statutes of 2007 contains an appropriation of three hundred million dollars (\$300,000,000) for capital outlay to be allocated to renovate, improve, or expand infrastructure capacity at existing prison facilities. The funds appropriated by that section may be used for land acquisition, environmental services, architectural programming, engineering assessments, schematic design, preliminary plans, working drawings, and construction.

(2) These funds may also be used to address deficiencies related to utility systems owned by local government entities and serving state prison facilities subject to the provisions of Section 54999 of the Government Code. The department shall report on any funds to be expended for this purpose to the Joint Legislative Budget Committee. If the committee fails to take any action with respect to each notification within 20 days after submittal, this inaction shall be deemed to be approval for purposes of this section.

(3) These funds may also be used for the design and construction of improvements to dental facilities at state prison facilities.

(4) These funds may also be used for the design and construction of improvements to medication distribution facilities at state prison facilities.

(5) This subdivision authorizes the scope and cost of a single capital outlay project for purposes of calculating augmentations pursuant to Section 13332.11 or 13332.19.

(b) The scope and costs of the projects described in subdivision (a) of this section shall be subject to approval and administrative oversight by the State Public Works Board, including augmentations, pursuant to Section 13332.11 or 13332.19 of the Government Code. The availability of an augmentation for each individual project allocation shall be based on the total applicable capital outlay appropriation contained in Section 28 of Chapter 7 of the Statutes of 2007 and is not limited to 20 percent of the individual project allocation. These requirements shall be applied separately to each institution. All of the necessary infrastructure improvements at each institution may be treated as one project such that there would be one infrastructure improvement project at each institution. The scope and cost of each infrastructure improvement project shall be established by the board individually. The amount of the total appropriation in Section 28 of Chapter

7 of the Statutes of 2007 that is necessary for each infrastructure improvement project shall be allocated by institution. The appropriation may be allocated based on current estimates. These initial allocations may be adjusted commensurate to changes that occur during the progression of the projects. As allocations are made or adjusted, the anticipated deficit or savings shall be continuously tracked and reported. Once the total appropriation has been allocated, any augmentation necessary to fund an anticipated deficit shall be based on the total appropriation and allocated to each project as necessary. Concurrent with the request to the board to establish each project authorized pursuant to this section, the Department of Corrections and Rehabilitation shall report the associated scope, cost, and schedule information to the Joint Legislative Budget Committee.

(c) The projects authorized pursuant to this section shall be part of the Department of Corrections and Rehabilitation's Master Plan, as defined in Section 7000.

(d) The reporting requirements set forth in Sections 7000 to 7003.5, inclusive, shall apply separately to each project authorized pursuant to this section.

SEC. 14. (a) (1) The Department of Corrections and Rehabilitation is authorized to design and construct three Level II dorm facilities adjacent to one or more of the following institutions: Folsom State Prison; California State Prison, Sacramento; California Medical Facility; California State Prison, Solano; Mule Creek State Prison; California Institution for Men; and Richard J. Donovan Correctional Facility. The Department of Corrections and Rehabilitation may use funding appropriated in Section 28 of Chapter 7 of the Statutes of 2007 to complete site suitability studies at these locations.

(2) The Department of Corrections and Rehabilitation shall notify the State Public Works Board of its proposed siting locations and the State Public Works Board shall authorize the final siting of the facilities authorized in this section. Concurrent with this notification to the State Public Works Board, the Department of Corrections and Rehabilitation shall report to the Joint Legislative Budget Committee the scope and cost information associated with the proposed final siting of the facilities.

(3) The Department of Corrections and Rehabilitation is authorized to use design-build project delivery for the project authorized in this section pursuant to the provisions of Section 14661.1 of the Government Code. The project authorized in this section shall constitute a single prison facility for purposes of the limitation in Section 14661.1 of the Government Code. The provisions of Section 13332.19 of the Government Code shall apply to this project.

(4) It is the intent of the Legislature that these facilities will be designed to provide flexible housing for various inmate subpopulations, including, but not limited to, those with disabilities, intermediate medical needs, or mental health treatment needs.

(5) The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality

Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This paragraph does not exempt the Department of Corrections and Rehabilitation from the requirements of the California Environmental Quality Act. This paragraph is declaratory of existing law.

(b) The State Public Works Board may borrow funds for project costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code. In the event any of the revenue bonds, notes, or bond anticipation notes authorized by this section are not sold, the Department of Corrections and Rehabilitation shall commit a sufficient amount of its support appropriation to repay any loans made for the project authorized in this section.

(c) (1) The State Public Works Board may issue up to eight hundred ten million dollars (\$810,000,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the design, construction, and construction-related costs for the project authorized in this section.

(2) The Department of Corrections and Rehabilitation and the State Public Works Board are authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing for the project authorized in this section.

(3) Notwithstanding Section 13340 of the Government Code, funds derived pursuant to this section are hereby continuously appropriated for the purposes of this section.

SEC. 15. The Department of Corrections and Rehabilitation shall remove all inmates from, cease operations of, and close the California Rehabilitation Center located in Norco, California, no later than either December 31, 2016, or six months after construction of the three Level II dorm facilities authorized in Section 14 of this act, whichever is earlier.

SEC. 16. The sum of one thousand dollars (\$1,000) is hereby appropriated from the General Fund to the Department of Corrections and Rehabilitation for administration.

SEC. 17. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.