

AMENDED IN SENATE AUGUST 18, 2014

AMENDED IN SENATE JUNE 23, 2014

AMENDED IN ASSEMBLY MAY 23, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2235

**Introduced by Assembly Members Buchanan and Hagman
(Coauthors: Assembly Members Bocanegra, Bonta, Ian Calderon,
Chávez, Chesbro, Fong, Gonzalez, Maienschein, Medina,
Nazarian, Olsen, V. Manuel Pérez, Quirk-Silva, and Skinner)**

February 21, 2014

An act to amend Sections ~~17070.40 and 17074.26~~ 17070.15, 17070.40, 17070.75, 17072.35, 17074.25, 17074.26, and 17592.70 of, to add Sections 17071.15, 17072.40, ~~and~~ 17073.16, and 17254 to, to add Part 70 (commencing with Section 101100) to Division 14 of Title 3 of, and to repeal Sections 17070.99, 17071.33, 17071.35, and 17071.40 of, the Education Code, relating to education facilities, 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, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2235, as amended, Buchanan. Education facilities: Kindergarten-University Public Education Facilities Bond Act of 2014.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for construction

and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

The bill would revise the definition of modernization under the act to include the replacement of facilities on a site containing a permanent structure that is at least 25 years old or, in the case of a portable classroom, that is at least 20 years old, as specified.

The bill would reduce the minimum amount that an applicant school district under the act must set aside for ongoing and major maintenance of school buildings from 3% to 2% of the total general fund expenditures of that district in a fiscal year.

This bill would delete a provision requiring the State Allocation Board to conduct an evaluation of the cost of new construction and modernization of small high schools in conjunction with a specified pilot program.

The bill would require each school district that elects to participate in a new construction *or modernization* program funded by the proceeds of any bond approved by the voters after November 1, 2014, to reestablish eligibility, as specified, *and to conduct an inventory of existing facilities for purposes of maintaining a statewide school facilities inventory.*

The bill would authorize a grant for new construction or modernization under the act to be used for seismic mitigation purposes and for related design, study, and testing costs, and require the State Allocation Board, in the development of guidelines and regulations, to provide a school district with maximum flexibility in the design, modernization, and new construction of school facilities.

The bill would require the Office of Public School Construction to recommend regulations to the board to provide school districts with flexibility in designing instruction facilities.

The bill would require the State Department of Education, the Division of the State Architect, the Office of Public School Construction, and the Department of Toxic Substances Control to convene for the purposes of developing an interagency plan to streamline the school facility construction application, review, and audit processes in order to reduce the time and improve the efficiency of the school facility construction process. The bill would require that this interagency plan be submitted to the Legislature on or before July 1, 2015.

(2) Existing law, the California Constitution, prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an

act that (a) authorizes the debt for a single object or work specified in the act, (b) has been passed by a $\frac{2}{3}$ vote of all the members elected to each house of the Legislature, (c) has been submitted to the people at a statewide general or primary election, and (d) has received a majority of all the votes cast for and against it at that election.

This bill would enact the Kindergarten-University Public Education Facilities Bond Act of 2014 to authorize ~~an unspecified amount~~ \$4,300,000,000 of state general obligation bonds, as scheduled, to provide aid to school districts, county superintendents of schools, county boards of education, charter schools, the California Community Colleges, the University of California, the Hastings College of the Law, and the California State University to construct and modernize education facilities. The proceeds of these bonds would be deposited in the continuously appropriated 2014 State School Facilities Fund, which this bill would establish, thereby making an appropriation.

The *proposed* bond act would become operative only if approved by the voters at the November 4, 2014, statewide general election, and *the bill* would provide for its submission to the voters at that election. *The bill would require the Secretary of State to publish, and separately mail, a supplemental ballot pamphlet regarding the proposed bond act if it is not possible to include information regarding this proposed bond act in the ballot pamphlet for the November 4, 2014, statewide general election. The bill would provide for public examination of the translations of the ballot title and condensed statement of the ballot title of the proposed bond act, as specified.*

(3) This bill would specify that ~~it~~ *certain of its provisions* would become operative only if the Kindergarten-University Public Education Facilities Bond Act of 2014 is approved by the voters at the November 4, 2014, statewide general election.

(4) The bill would make conforming changes in related provisions of existing law.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

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

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

1 SECTION 1. Section 17070.15 of the Education Code is
2 amended to read:

1 17070.15. The following terms, wherever used or referred to
2 in this chapter, shall have the following meanings, respectively,
3 unless a different meaning appears from the context:

4 (a) “Apportionment” means a reservation of funds for the
5 purpose of eligible new construction, modernization, or hardship
6 approved by the board for an applicant school district.

7 (b) “Attendance area” means the geographical area serving an
8 existing high school and those junior high schools and elementary
9 schools included therein.

10 (c) “Board” means the State Allocation Board as established by
11 Section 15490 of the Government Code.

12 (d) “Committee” means the State School Building Finance
13 Committee established pursuant to Section 15909.

14 (e) “County fund” means a county school facilities fund
15 established pursuant to Section 17070.43.

16 (f) “Department” means the Department of General Services.

17 (g) “Fund” means the applicable 1998 State School Facilities
18 Fund, the 2002 State School Facilities Fund, or the 2004 State
19 School Facilities Fund, established pursuant to Section 17070.40.

20 (h) “Good repair” has the same meaning as specified in
21 subdivision (d) of Section 17002.

22 (i) “Modernization” means any modification *or replacement* of
23 a permanent structure that is at least 25 years old, or in the case of
24 a portable classroom, that is at least 20 years old, that will enhance
25 the ability of the structure to achieve educational purposes.

26 (j) “Portable classroom” means a classroom building of one or
27 more stories that is designed and constructed to be relocatable and
28 transportable over public streets, and with respect to a single story
29 portable classroom, is designed and constructed for relocation
30 without the separation of the roof or floor from the building and
31 when measured at the most exterior walls, has a floor area not in
32 excess of 2,000 square feet.

33 (k) “Property” includes all property, real, personal or mixed,
34 tangible or intangible, or any interest therein necessary or desirable
35 for carrying out the purposes of this chapter.

36 (l) “School building capacity” means the capacity of a school
37 building to house pupils.

38 (m) “School district” means a school district or a county office
39 of education. For purposes of determining eligibility under this

1 chapter, “school district” may also mean a high school attendance
2 area.

3 ~~SECTION 1.~~

4 *SEC. 2.* Section 17070.40 of the Education Code is amended
5 to read:

6 17070.40. (a) (1) A fund is hereby established in the State
7 Treasury, to be known as the 1998 State School Facilities Fund.
8 All money in the fund, including any money deposited in that fund
9 from any source whatsoever, and notwithstanding Section 13340
10 of the Government Code, is hereby continuously appropriated
11 without regard to fiscal years for expenditure pursuant to this
12 chapter.

13 (2) The board may apportion funds to school districts for the
14 purposes of this chapter from funds transferred to the 1998 State
15 School Facilities Fund from any source.

16 (3) The board may make apportionments in amounts not
17 exceeding those funds on deposit in the 1998 State School Facilities
18 Fund, and any amount of bonds authorized by the committee, but
19 not yet sold by the Treasurer.

20 (4) The board may make disbursements pursuant to any
21 apportionment made from any funds in the 1998 State School
22 Facilities Fund, irrespective of whether there exists at the time of
23 the disbursement an amount in the 1998 State School Facilities
24 Fund sufficient to permit payment in full of all apportionments
25 previously made. However, no disbursement shall be made from
26 any funds required by law to be transferred to the General Fund.

27 (b) (1) A fund is hereby established in the State Treasury, to
28 be known as the 2002 State School Facilities Fund. All money in
29 the fund, including any money deposited in that fund from any
30 source whatsoever, and notwithstanding Section 13340 of the
31 Government Code, is hereby continuously appropriated without
32 regard to fiscal years for expenditure pursuant to this chapter.

33 (2) The board may apportion funds to school districts for the
34 purposes of this chapter from funds transferred to the 2002 State
35 School Facilities Fund from any source.

36 (3) The board may make apportionments in amounts not
37 exceeding those funds on deposit in the 2002 State School Facilities
38 Fund, and any amount of bonds authorized by the committee, but
39 not yet sold by the Treasurer.

1 (4) The board may make disbursements pursuant to any
2 apportionment made from any funds in the 2002 State School
3 Facilities Fund, irrespective of whether there exists at the time of
4 the disbursement an amount in the 2002 State School Facilities
5 Fund sufficient to permit payment in full of all apportionments
6 previously made. However, no disbursement shall be made from
7 any funds required by law to be transferred to the General Fund.

8 (c) (1) A fund is hereby established in the State Treasury, to
9 be known as the 2004 State School Facilities Fund. All money in
10 the fund, including any money deposited in that fund from any
11 source whatsoever, and notwithstanding Section 13340 of the
12 Government Code, is hereby continuously appropriated without
13 regard to fiscal years for expenditure pursuant to this chapter.

14 (2) The board may apportion funds to school districts for the
15 purposes of this chapter from funds transferred to the 2004 State
16 School Facilities Fund from any source.

17 (3) The board may make apportionments in amounts not
18 exceeding those funds on deposit in the 2004 State School Facilities
19 Fund, and any amount of bonds authorized by the committee, but
20 not yet sold by the Treasurer.

21 (4) The board may make disbursements pursuant to any
22 apportionment made from any funds in the 2004 State School
23 Facilities Fund, irrespective of whether there exists at the time of
24 the disbursement an amount in the 2004 State School Facilities
25 Fund sufficient to permit payment in full of all apportionments
26 previously made. However, no disbursement shall be made from
27 any funds required by law to be transferred to the General Fund.

28 (d) (1) A fund is hereby established in the State Treasury, to
29 be known as the 2006 State School Facilities Fund. All money in
30 the fund, including any money deposited in that fund from any
31 source whatsoever, and notwithstanding Section 13340 of the
32 Government Code, is hereby continuously appropriated without
33 regard to fiscal years for expenditure pursuant to this chapter.

34 (2) The board may apportion funds to school districts for the
35 purposes of this chapter from funds transferred to the 2006 State
36 School Facilities Fund from any source.

37 (3) The board may make apportionments in amounts not
38 exceeding those funds on deposit in the 2006 State School Facilities
39 Fund, and any amount of bonds authorized by the committee, but
40 not yet sold by the Treasurer.

1 (4) The board may make disbursements pursuant to any
2 apportionment made from any funds in the 2006 State School
3 Facilities Fund, irrespective of whether there exists at the time of
4 the disbursement an amount in the 2006 State School Facilities
5 Fund sufficient to permit payment in full of all apportionments
6 previously made. However, no disbursement shall be made from
7 any funds required by law to be transferred to the General Fund.

8 (e) (1) A fund is hereby established in the State Treasury, to
9 be known as the 2014 State School Facilities Fund. All money in
10 the fund, including any money deposited in that fund from any
11 source whatsoever, and notwithstanding Section 13340 of the
12 Government Code, is hereby continuously appropriated without
13 regard to fiscal years for expenditure pursuant to this chapter.

14 (2) The board may apportion funds to school districts for the
15 purposes of this chapter from funds transferred to the 2014 State
16 School Facilities Fund from any source.

17 (3) The board may make apportionments in amounts not
18 exceeding those funds on deposit in the 2014 State School Facilities
19 Fund, and any amount of bonds authorized by the committee, but
20 not yet sold by the Treasurer.

21 (4) The board may make disbursements pursuant to any
22 apportionment made from any funds in the 2014 State School
23 Facilities Fund, irrespective of whether there exists at the time of
24 the disbursement an amount in the 2014 State School Facilities
25 Fund sufficient to permit payment in full of all apportionments
26 previously made. However, no disbursement shall be made from
27 any funds required by law to be transferred to the General Fund.

28 *SEC. 3. Section 17070.75 of the Education Code is amended*
29 *to read:*

30 17070.75. (a) ~~The~~ *As a condition of participation in the school*
31 *facility program, the board shall require the school district to make*
32 *all necessary repairs, renewals, and replacements to ensure that a*
33 *project is at all times maintained in good repair, working order,*
34 *and condition. All costs incurred for this purpose shall be borne*
35 *by the school district.*

36 (b) In order to ensure compliance with subdivision (a) and to
37 encourage school districts to maintain all buildings under their
38 control, the board shall require an applicant school district to do
39 all of the following prior to the approval of a project:

1 (1) Establish a restricted account within the general fund of the
2 school district for the exclusive purpose of providing moneys for
3 ongoing and major maintenance of school buildings, according
4 the highest priority to funding for the purposes set forth in
5 subdivision (a).

6 (2) (A) Agree to deposit into the account established pursuant
7 to paragraph (1), in each fiscal year for 20 years after receipt of
8 funds under this chapter, a minimum amount equal to or greater
9 than ~~3~~ 2 percent of the total general fund expenditures of the
10 applicant school district, including other financing uses, for that
11 fiscal year. ~~Annual deposits to the account established pursuant to~~
12 ~~paragraph (1) in excess of 2 1/2 percent of the school district general~~
13 ~~fund budget may count towards the amount of funds required to~~
14 ~~be contributed by a school district in order to receive~~
15 ~~apportionments from the State School Deferred Maintenance Fund~~
16 ~~pursuant to Section 17584 to the extent that those funds are used~~
17 ~~for purposes that qualify for funding under that section.~~

18 ~~(B) Notwithstanding subparagraph (A), for the 2004-05 fiscal~~
19 ~~year only, an applicant school district shall deposit into the account~~
20 ~~established pursuant to paragraph (1), no less than 2 percent of the~~
21 ~~total general fund expenditures of the school district, including~~
22 ~~other financing uses, for the fiscal year. The annual deposit to the~~
23 ~~account in excess of 1 1/2 percent of the school district general fund~~
24 ~~budget for the 2004-05 fiscal year may count towards the amount~~
25 ~~that a school district is required to contribute in order to receive~~
26 ~~apportionments from the State School Deferred Maintenance Fund~~
27 ~~pursuant to Section 17584 to the extent that those funds are used~~
28 ~~for purposes that qualify for funding under that section.~~

29 ~~(C)~~

30 (B) A school district contribution to the account may be provided
31 in lieu of meeting the ongoing maintenance requirements pursuant
32 to Section 17014 to the extent the funds are used for purposes
33 established in that section. A school district that serves as the
34 administrative unit for a special education local plan area may
35 elect to exclude from its total general fund expenditures, for
36 purposes of this paragraph, the distribution of revenues that are
37 passed through to participating members of the special education
38 local plan area.

39 ~~(D)~~

40 (C) This paragraph applies only to the following school districts:

1 (i) High school districts with an average daily attendance greater
2 than 300 pupils.

3 (ii) Elementary school districts with an average daily attendance
4 greater than 900 pupils.

5 (iii) Unified school districts with an average daily attendance
6 greater than 1,200 pupils.

7 (3) Certify that it has publicly approved an ongoing and major
8 maintenance plan that outlines the use of the funds deposited, or
9 to be deposited, pursuant to paragraph (2). The plan may provide
10 that the school district need not expend all of its annual allocation
11 for ongoing and major maintenance in the year in which it is
12 deposited if the cost of major maintenance requires that the
13 allocation be carried over into another fiscal year. However, any
14 state funds carried over into a subsequent year may not be counted
15 toward the annual minimum contribution by the school district. ~~A~~
16 ~~plan developed in compliance with this section shall be deemed~~
17 ~~to meet the requirements of Section 17585.~~

18 ~~(e) A school district to which paragraph (2) of subdivision (b)~~
19 ~~does not apply shall certify to the board that it can reasonably~~
20 ~~maintain its facilities with a lesser level of maintenance.~~

21 ~~(d)~~

22 (c) For purposes of calculating a county office of education
23 requirement pursuant to this section, the ~~3~~ 2 percent maintenance
24 requirement shall be based upon the county office of education
25 general fund less any restricted accounts.

26 ~~(e)~~

27 (d) As a condition of participation in the school facilities
28 program or the receipt of funds pursuant to Section 17582, for a
29 fiscal year after the 2004–05 fiscal year, a school district shall
30 establish a facilities inspection system to ensure that each of its
31 schools is maintained in good repair.

32 ~~(f)~~

33 (e) For purposes of this section, “good repair” has the same
34 meaning as specified in subdivision (d) of Section 17002.

35 ~~SEC. 2.~~

36 *SEC. 4.* Section 17070.99 of the Education Code is repealed.

37 ~~SEC. 3.~~

38 *SEC. 5.* Section 17071.15 is added to the Education Code, to
39 read:

1 17071.15. Notwithstanding Section 17071.10, the board may
 2 require each school district that elects to participate in the new
 3 construction program funded by the proceeds of any bond approved
 4 by voters after November 1, 2014, to reestablish eligibility pursuant
 5 to regulations adopted by the board. *In addition, the board shall*
 6 *require a school district that elects to participate in the new*
 7 *construction program to conduct an inventory of existing facilities*
 8 *and submit this information to the board, as prescribed by the*
 9 *board, for purposes of maintaining a statewide school facilities*
 10 *inventory.*

11 ~~SEC. 4.~~

12 *SEC. 6.* Section 17071.33 of the Education Code is repealed.

13 ~~SEC. 5.~~

14 *SEC. 7.* Section 17071.35 of the Education Code is repealed.

15 ~~SEC. 6.~~

16 *SEC. 8.* Section 17071.40 of the Education Code is repealed.

17 *SEC. 9.* *Section 17072.35 of the Education Code is amended*
 18 *to read:*

19 17072.35. (a) (1) A grant for new construction may be used
 20 for any and all costs necessary to adequately house new pupils in
 21 any approved project, and those costs may only include the cost
 22 of design, engineering, testing, inspection, plan checking,
 23 construction management, site acquisition and development,
 24 evaluation and response action costs relating to hazardous
 25 substances at a new or existing schoolsite, demolition, construction,
 26 acquisition and installation of portable classrooms, landscaping,
 27 necessary utility costs, utility connections and other fees, equipment
 28 including telecommunication equipment to increase school security,
 29 furnishings, and the upgrading of electrical systems or the wiring
 30 or cabling of classrooms in order to accommodate educational
 31 technology. A grant for new construction may also be used to
 32 acquire an existing government or privately owned building, or a
 33 privately financed school building, and for the necessary costs of
 34 converting the government or privately owned building for public
 35 school use. A grant for new construction may also be used for the
 36 costs of designs and materials that promote the efficient use of
 37 energy and water, the maximum use of natural lighting and indoor
 38 air quality, the use of recycled materials and materials that emit a
 39 minimum of toxic substances, the use of acoustics conducive to
 40 teaching and learning, and other characteristics of high performance

1 schools. A grant for new construction may be used for seismic
2 mitigation purposes and for related design, study, and testing costs.

3 (2) An applicant who receives a new construction grant shall
4 ensure that the project incorporates designs and materials that
5 promote the efficient use of energy and water, the maximum use
6 of natural lighting and indoor air quality, the use of recycled
7 materials and materials that emit a minimum of toxic substances,
8 the use of acoustics conducive to teaching and learning, and other
9 characteristics of high performance schools.

10 (b) In the development of guidelines and regulations, the board
11 shall provide a school district with maximum flexibility in the
12 design and new construction of school facilities.

13 ~~SEC. 7.~~

14 *SEC. 10.* Section 17072.40 is added to the Education Code, to
15 read:

16 17072.40. The Office of Public School Construction, in
17 consultation with the State Department of Education, shall
18 recommend to the board regulations that will provide school
19 districts with flexibility in designing instructional facilities. *These*
20 *recommendations shall propose revisions to any regulations that*
21 *limit the ability of school districts to use new construction grants*
22 *to construct instructional space approved by the State Department*
23 *of Education. The proposed revisions shall ensure that a school*
24 *district has the ability to design a facility that provides a flexible*
25 *learning environment, provides for the integration and use of*
26 *technology, and serves as an instructional space and learning*
27 *environment that supports and enhances the educational delivery*
28 *process.*

29 ~~SEC. 8.~~

30 *SEC. 11.* Section 17073.16 is added to the Education Code, to
31 read:

32 17073.16. The board may require each school district that elects
33 to participate in the modernization program funded by the proceeds
34 of any bond approved by voters after November 1, 2014, to
35 reestablish baseline eligibility for each schoolsite pursuant to
36 regulations adopted by the board. *In addition, the board shall*
37 *require a school district that elects to participate in the*
38 *modernization program to conduct an inventory of existing*
39 *facilities and submit this information to the board, as prescribed*

1 *by the board, for purposes of maintaining a statewide school*
2 *facilities inventory.*

3 *SEC. 12. Section 17074.25 of the Education Code is amended*
4 *to read:*

5 17074.25. (a) (1) A modernization apportionment may be
6 used for an improvement to extend the useful life of, or to enhance
7 the physical environment of, the school. The improvement may
8 only include the cost of design, engineering, testing, inspection,
9 plan checking, construction management, demolition, construction,
10 the replacement of portable classrooms, necessary utility costs,
11 utility connection and other fees, the purchase and installation of
12 air-conditioning equipment and insulation materials and related
13 costs, furniture and equipment, including telecommunication
14 equipment to increase school security, fire safety improvements,
15 playground safety improvements, the identification, assessment,
16 or abatement of hazardous asbestos, seismic safety improvements,
17 and the upgrading of electrical systems or the wiring or cabling of
18 classrooms in order to accommodate educational technology. A
19 modernization grant may not be used for costs associated with
20 acquisition and development of real property or for routine
21 maintenance and repair. A modernization apportionment may also
22 be used for the cost of designs and materials that promote the
23 efficient use of energy and water, the maximum use of natural
24 lighting and indoor air quality, the use of recycled materials and
25 materials that emit a minimum of toxic substances, the use of
26 acoustics conducive to teaching and learning, and other
27 characteristics of high-performance schools. *A modernization*
28 *apportionment may also be used for seismic mitigation purposes*
29 *and for related design, study, and testing costs.*

30 (2) *An applicant who receives a modernization apportionment*
31 *shall ensure that the project incorporates designs and materials*
32 *that promote the efficient use of energy and water, the maximum*
33 *use of natural lighting and indoor air quality, the use of recycled*
34 *materials and materials that emit a minimum of toxic substances,*
35 *the use of acoustics conducive to teaching and learning, and other*
36 *characteristics of high performance schools.*

37 (b) *In the development of guidelines and regulations, the board*
38 *shall provide a school district with maximum flexibility in the*
39 *design and modernization of school facilities.*

1 (c) (1) A modernization apportionment may also be used to
2 demolish and construct a building or buildings on an existing
3 schoolsite if the total cost of providing a new school building,
4 including land, on a new site would not protect the economic
5 interest of the state and school district.

6 (2) A project deemed to meet the requirements of paragraph
7 (1) shall be eligible for a grant equal to the grant provided under
8 Section 17072.10.

9 (d) The board shall establish additional requirements it deems
10 necessary to ensure that the economic interests of the state and
11 the educational interests of the children of the state are protected.

12 ~~SEC. 9.~~

13 SEC. 13. Section 17074.26 of the Education Code is amended
14 to read:

15 17074.26. The board shall adopt regulations to adjust the
16 per-pupil amounts set forth in Section 17074.10 for modernization
17 projects for school buildings that are 50 years old or older based
18 upon the higher costs associated with modernizing older buildings.

19 SEC. 14. Section 17254 is added to the Education Code, to
20 read:

21 17254. (a) The State Department of Education, the Division
22 of the State Architect, the Office of Public School Construction,
23 and the Department of Toxic Substances Control shall convene
24 for the purposes of developing an interagency plan to streamline
25 the school facility construction application, review, and audit
26 processes in order to reduce the time and improve the efficiency
27 of the school facility construction process.

28 (b) The interagency plan developed pursuant to subdivision (a)
29 shall be submitted to the Legislature, in accordance with Section
30 9795 of the Government Code, on or before July 1, 2015. It is the
31 intent of the Legislature that operative regulatory language
32 adopted by the board before the effective date of this section be
33 reviewed and revised to ensure that the School Facility Program
34 is being implemented in a manner that reduces duplicative
35 processes for the review, approval, and audit of school facility
36 new construction and modernization projects.

37 SEC. 15. Section 17592.70 of the Education Code is amended
38 to read:

39 17592.70. (a) There is hereby established the School Facilities
40 Needs Assessment Grant Program with the purpose to provide for

1 a one-time comprehensive assessment of school facilities needs.
2 The grant program shall be administered by the State Allocation
3 Board.

4 (b) (1) The grants shall be awarded to school districts on behalf
5 of schoolsites ranked in deciles 1 to 3, inclusive, on the Academic
6 Performance Index (API), pursuant to Section 52056, based on
7 the 2003 base API score for each school newly constructed prior
8 to January 1, 2000.

9 (2) For purposes of this section, schools ranked in deciles 1 to
10 3, inclusive, on the 2003 base API shall include any schools
11 determined by the department to meet either of the following:

12 (A) The school meets all of the following criteria:

13 (i) Does not have a valid base API score for 2003.

14 (ii) Is operating in fiscal year 2004-05 and was operating in
15 fiscal year 2003-04 during the Standardized Testing and Reporting
16 (STAR) Program testing period.

17 (iii) Has a valid base API score for 2002 that was ranked in
18 deciles 1 to 3, inclusive, in that year.

19 (B) The school has an estimated base API score for 2003 that
20 would be in deciles 1 to 3, inclusive.

21 (3) The department shall estimate an API score for any school
22 meeting the criteria of clauses (i) and (ii) of subparagraph (A) of
23 paragraph (2) and not meeting the criteria of clause (iii) of
24 subparagraph (A) of paragraph (2), using available testing scores
25 and any weighting or corrective factors it deems appropriate. The
26 department shall provide those API scores to the Office of Public
27 School Construction and post them on its Web site within 30 days
28 of the enactment of this section.

29 (4) For purposes of this section, schools ranked in deciles 1 to
30 3, inclusive, on the 2003 base API shall exclude any schools
31 determined by the department to be operated by county offices of
32 education pursuant to Section 56140.

33 (c) The board shall allocate funds pursuant to subdivision (b)
34 to school districts with jurisdiction over eligible schoolsites, based
35 on ten dollars (\$10) per pupil enrolled in the eligible school as of
36 October 2003, with a minimum allocation of seven thousand five
37 hundred dollars (\$7,500) for each schoolsite.

38 (d) As a condition of receiving funds pursuant to this section,
39 school districts shall do all of the following:

- 1 (1) Use the funds to develop a comprehensive needs assessment
2 of all schoolsites eligible for grants pursuant to subdivision (b).
3 The assessment shall contain, at a minimum, all of the following
4 information for each schoolsite:
5 (A) The year each building that is currently used for instructional
6 purposes was constructed.
7 (B) The year, if any, each building that is currently used for
8 instructional purposes was last modernized.
9 (C) The pupil capacity of the school.
10 (D) The number of pupils enrolled in the school.
11 (E) The density of the school campus measured in pupils per
12 acre.
13 (F) The total number of classrooms at the school.
14 (G) The age and number of portable classrooms at the school.
15 (H) Whether the school is operating on a multitrack, year-round
16 calendar, and, if so, what type.
17 (I) Whether the school has a cafeteria, or an auditorium or other
18 space used for pupil eating and not for class instruction.
19 (J) The useful life remaining of all major building systems for
20 each structure housing instructional space, including, but not
21 limited to, sewer, water, gas, electrical, roofing, and fire and life
22 safety protection.
23 (K) The estimated costs for five years necessary to maintain
24 functionality of each instructional space to maintain health, safety,
25 and suitable learning environment, as applicable, including
26 classroom, counseling areas, administrative space, libraries,
27 gymnasiums, multipurpose and dining space, and the accessibility
28 to those spaces.
29 (L) A list of necessary repairs.
30 (2) Use the data currently filed with the state as part of the
31 process of applying for and obtaining modernization or construction
32 funds for school facilities, or information that is available in the
33 California Basic Education Data System for the element required
34 in subparagraphs (D), (E), (F), and (G) of paragraph (1).
35 (3) Use the assessment as the baseline for the facilities inspection
36 system required pursuant to subdivision—(e) (d) of Section
37 17070.75.
38 (4) Provide the results of the assessment to the Office of Public
39 School Construction, including a report on the expenditures made
40 in performing the assessment. It is the intent of the Legislature

1 that the assessments be completed as soon as possible, but not later
2 than January 1, 2006.

3 (5) If a school district does not need the full amount of the
4 allocation it receives pursuant to this section, the school district
5 shall expend the remaining funds for making facilities repairs
6 identified in its needs assessment. The school district shall report
7 to the Office of Public School Construction on the repairs
8 completed pursuant to this paragraph and the cost of the repairs.

9 (6) Submit to the Office of Public School Construction an
10 interim report regarding the progress made by the school district
11 in completing the assessments of all eligible schools.

12 ~~SEC. 10.~~

13 SEC. 16. Part 70 (commencing with Section 101100) is added
14 to Division 14 of Title 3 of the Education Code, to read:

15

16 PART 70. KINDERGARTEN-UNIVERSITY PUBLIC
17 EDUCATION FACILITIES BOND ACT OF 2014

18

19 CHAPTER 1. GENERAL

20

21 101100. This part shall be known and may be cited as the
22 Kindergarten-University Public Education Facilities Bond Act of
23 2014.

24 101101. The incorporation of, or reference to, any provision
25 of California statutory law in this part includes all acts amendatory
26 thereof and supplementary thereto.

27 101102. (a) Bonds in the total amount of _____ dollars (\$_____);
28 *four billion three hundred million dollars (\$4,300,000,000)*, not
29 including the amount of any refunding bonds issued in accordance
30 with Sections 101130, 101139, and 101159, or so much thereof
31 as is necessary, may be issued and sold to provide a fund to be
32 used for carrying out the purposes expressed in this part and to
33 reimburse the General Obligation Bond Expense Revolving Fund
34 pursuant to Section 16724.5 of the Government Code. The bonds,
35 when sold, shall be and constitute a valid and binding obligation
36 of the State of California, and the full faith and credit of the State
37 of California is hereby pledged for the punctual payment of the
38 principal of, and interest on, the bonds as the principal and interest
39 become due and payable.

1 (b) Pursuant to this section, the Treasurer shall sell the bonds
 2 authorized by the State School Building Finance Committee
 3 established by Section 15909 or the Higher Education Facilities
 4 Finance Committee established pursuant to Section 67353, as the
 5 case may be, at any different times necessary to service
 6 expenditures required by the apportionments.

7
 8 CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE

9
 10 Article 1. Kindergarten Through Grade 12 School Facilities
 11 Program Provisions

12
 13 101110. The proceeds of bonds issued and sold pursuant to
 14 Article 2 (commencing with Section 101120) shall be deposited
 15 in the 2014 State School Facilities Fund established in the State
 16 Treasury under subdivision (e) of Section 17070.40, and shall be
 17 allocated by the State Allocation Board pursuant to this chapter.

18 101111. All moneys deposited in the 2014 State School
 19 Facilities Fund for the purposes of this chapter shall be available
 20 to provide aid to school districts, county superintendents of schools,
 21 and county boards of education of the state in accordance with the
 22 Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5
 23 (commencing with Section 17070.10) of Part 10 of Division 1 of
 24 Title 1), as set forth in Section 101112, to provide funds to repay
 25 any money advanced or loaned to the 2014 State School Facilities
 26 Fund under any act of the Legislature, together with interest
 27 provided for in that act, and to reimburse the General Obligation
 28 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
 29 Government Code.

30 101112. (a) The proceeds from the sale of bonds, issued and
 31 sold for the purposes of this chapter, shall be allocated in
 32 accordance with the following schedule:

33 (1) The amount of ~~_____ dollars (\$_____)~~ *one billion two hundred*
 34 *thirty million dollars (\$1,230,000,000)* for new construction of
 35 school facilities of applicant school districts under Chapter 12.5
 36 (commencing with Section 17070.10) of Part 10 of Division 1 of
 37 Title 1.

38 ~~(2) The amount of _____ dollars (\$_____)~~ shall be available for
 39 ~~providing school facilities to charter schools pursuant to Article~~

1 ~~12 (commencing with Section 17078.52) of Chapter 12.5 of Part~~
2 ~~10 of Division 1 of Title 1.~~

3 ~~(3)~~

4 (2) The amount of ~~_____~~ dollars (~~\$_____~~) *two billion four*
5 *hundred seventy million dollars (\$2,470,000,000)* for the
6 modernization of school facilities pursuant to Chapter 12.5
7 (commencing with Section 17070.10) of Part 10 of Division 1 of
8 Title 1.

9 *(3) Of the amount allocated in this subdivision, up to 5 percent*
10 *shall be available for providing facilities to charter schools*
11 *pursuant to Article 12 (commencing with Section 17078.52) of*
12 *Chapter 12.5 of Part 10 of Division 1 of Title 1.*

13 (b) School districts may use funds allocated pursuant to
14 paragraph (3) of subdivision (a) only for one or more of the
15 following purposes in accordance with Chapter 12.5 (commencing
16 with Section 17070.10) of Part 10 of Division 1 of Title 1:

17 (1) The purchase and installation of air-conditioning equipment
18 and insulation materials, and related costs.

19 (2) Construction projects or the purchase of furniture or
20 equipment designed to increase school security or playground
21 safety.

22 (3) The identification, assessment, or abatement in school
23 facilities of hazardous asbestos.

24 (4) Project funding for high-priority roof replacement projects.

25 (5) Any other modernization of facilities pursuant to Chapter
26 12.5 (commencing with Section 17070.10) of Part 10 of Division
27 1 of Title 1.

28 (c) Funds allocated pursuant to paragraph (1) of subdivision (a)
29 may also be utilized to provide new construction grants for eligible
30 applicant county boards of education under Chapter 12.5
31 (commencing with Section 17070.10) of Part 10 of Division 1 of
32 Title 1 for funding classrooms for severely handicapped pupils,
33 or for funding classrooms for county community school pupils.

34 *101113. The board shall assign priority for funding under this*
35 *chapter to applicant school districts that demonstrate participation*
36 *in a community-based effort to coordinate educational,*
37 *developmental, family, health, and other comprehensive services*
38 *by engaging in public and private partnerships with local public*
39 *entities and other nonprofit or private community partners. Criteria*

1 *that demonstrate this participation shall include all of the*
2 *following:*

3 *(a) Institutionalized structures for cross-agency collaboration,*
4 *including, but not limited to, memorandums of understanding to*
5 *coordinate activities and services.*

6 *(b) Agreements for joint use and operations of school facilities*
7 *that provide for extended hours of use for students, families, and*
8 *the community, integration of libraries, early childhood education,*
9 *child care centers, senior centers, outdoor recreation or*
10 *environmental education, arts education, and career technical*
11 *education and adult education offerings for students and*
12 *community members.*

13 *(c) Participation in the State Community Schools Network.*

14 *(d) Participation in technical assistance and training, including*
15 *professional development, for full-service community schools.*

16 *(e) Certification that the district's school facilities master plan*
17 *is consistent with the regional sustainable communities strategy*
18 *established pursuant to Section 65080 of the Government Code.*

19

20 Article 2. Kindergarten Through Grade 12 School Facilities
21 Fiscal Provisions

22

23 101120. (a) Of the total amount of bonds authorized to be
24 issued and sold pursuant to Chapter 1 (commencing with Section
25 101000), bonds in the amount of ~~_____ dollars (\$_____)~~, *three*
26 *billion seven hundred million dollars (\$3,700,000,000)*, not
27 including the amount of any refunding bonds issued in accordance
28 with Section 101130, or so much thereof as is necessary, may be
29 issued and sold to provide a fund to be used for carrying out the
30 purposes expressed in this chapter and to reimburse the General
31 Obligation Bond Expense Revolving Fund pursuant to Section
32 16724.5 of the Government Code. The bonds, when sold, shall be
33 and constitute a valid and binding obligation of the State of
34 California, and the full faith and credit of the State of California
35 is hereby pledged for the punctual payment of the principal of, and
36 interest on, the bonds as the principal and interest become due and
37 payable.

38 (b) Pursuant to this section, the Treasurer shall sell the bonds
39 authorized by the State School Building Finance Committee

1 established pursuant to Section 15909 at any different times
2 necessary to service expenditures required by the apportionments.
3 101121. The State School Building Finance Committee,
4 established by Section 15909 and composed of the Governor, the
5 Controller, the Treasurer, the Director of Finance, and the
6 Superintendent, or their designated representatives, all of whom
7 shall serve thereon without compensation, and a majority of whom
8 shall constitute a quorum, is continued in existence for the purpose
9 of this chapter. The Treasurer shall serve as chairperson of the
10 committee. Two Members of the Senate appointed by the Senate
11 Committee on Rules, and two Members of the Assembly appointed
12 by the Speaker of the Assembly, shall meet with and provide advice
13 to the committee to the extent that the advisory participation is not
14 incompatible with their respective positions as Members of the
15 Legislature. For the purposes of this chapter, the Members of the
16 Legislature shall constitute an interim investigating committee on
17 the subject of this chapter and, as that committee, shall have the
18 powers granted to, and duties imposed upon, those committees by
19 the Joint Rules of the Senate and the Assembly. The Director of
20 Finance shall provide assistance to the committee as it may require.
21 The Attorney General of the state is the legal ~~adviser~~ *advisor* of
22 the committee.

23 101122. (a) The bonds authorized by this chapter shall be
24 prepared, executed, issued, sold, paid, and redeemed as provided
25 in the State General Obligation Bond Law (Chapter 4 (commencing
26 with Section 16720) of Part 3 of Division 4 of Title 2 of the
27 Government Code), and all of the provisions of that law, except
28 Section 16727 of the Government Code to the extent that it
29 conflicts with this part, apply to the bonds and to this chapter and
30 are hereby incorporated into this chapter as though set forth in full
31 within this chapter.

32 (b) For purposes of the State General Obligation Bond Law, the
33 State Allocation Board is designated the “board” for purposes of
34 administering the 2014 State School Facilities Fund.

35 101123. (a) Upon request of the State Allocation Board, the
36 State School Building Finance Committee shall determine whether
37 or not it is necessary or desirable to issue bonds authorized pursuant
38 to this chapter in order to fund the apportionments and, if so, the
39 amount of bonds to be issued and sold. Successive issues of bonds
40 may be authorized and sold to fund those apportionments

1 progressively, and it is not necessary that all of the bonds
2 authorized to be issued be sold at any one time.

3 (b) A request of the State Allocation Board pursuant to
4 subdivision (a) shall be supported by a statement of the
5 apportionments made and to be made for the purposes described
6 in Sections 101111 and 101112.

7 101124. There shall be collected each year and in the same
8 manner and at the same time as other state revenue is collected,
9 in addition to the ordinary revenues of the state, a sum in an amount
10 required to pay the principal of, and interest on, the bonds each
11 year. It is the duty of all officers charged by law with any duty in
12 regard to the collection of the revenue to do and perform each and
13 every act that is necessary to collect that additional sum.

14 101125. Notwithstanding Section 13340 of the Government
15 Code, there is hereby appropriated from the General Fund in the
16 State Treasury, for the purposes of this chapter, an amount that
17 will equal the total of the following:

18 (a) The sum annually necessary to pay the principal of, and
19 interest on, bonds issued and sold pursuant to this chapter, as the
20 principal and interest become due and payable.

21 (b) The sum necessary to carry out Section 101128, appropriated
22 without regard to fiscal years.

23 101126. The State Allocation Board may request the Pooled
24 Money Investment Board to make a loan from the Pooled Money
25 Investment Account or any other approved form of interim
26 financing, in accordance with Section 16312 of the Government
27 Code, for the purpose of carrying out this chapter. The amount of
28 the request shall not exceed the amount of the unsold bonds that
29 the committee, by resolution, has authorized to be sold for the
30 purpose of carrying out this chapter. The board shall execute any
31 documents required by the Pooled Money Investment Board to
32 obtain and repay the loan. Any amounts loaned shall be deposited
33 in the fund to be allocated by the board in accordance with this
34 chapter.

35 101127. Notwithstanding any other provision of this chapter,
36 or of the State General Obligation Bond Law, if the Treasurer sells
37 bonds pursuant to this chapter that include a bond counsel opinion
38 to the effect that the interest on the bonds is excluded from gross
39 income for federal tax purposes, subject to designated conditions,
40 the Treasurer may maintain separate accounts for the investment

1 of bond proceeds and for the investment earnings on those
2 proceeds. The Treasurer may use or direct the use of those proceeds
3 or earnings to pay any rebate, penalty, or other payment required
4 under federal law or take any other action with respect to the
5 investment and use of those bond proceeds required or desirable
6 under federal law to maintain the tax-exempt status of those bonds
7 and to obtain any other advantage under federal law on behalf of
8 the funds of this state.

9 101128. For the purposes of carrying out this chapter, the
10 Director of Finance may authorize the withdrawal from the General
11 Fund of an amount not to exceed the amount of the unsold bonds
12 that have been authorized by the State School Building Finance
13 Committee to be sold for the purpose of carrying out this chapter.
14 Any amounts withdrawn shall be deposited in the 2014 State
15 School Facilities Fund consistent with this chapter. Any money
16 made available under this section shall be returned to the General
17 Fund, plus an amount equal to the interest that the money would
18 have earned in the Pooled Money Investment Account, from
19 proceeds received from the sale of bonds for the purpose of
20 carrying out this chapter.

21 101129. All money deposited in the 2014 State School Facilities
22 Fund that is derived from premium and accrued interest on bonds
23 sold shall be reserved in the fund, and shall be available for transfer
24 to the General Fund as a credit to expenditures for bond interest.

25 101130. The bonds may be refunded in accordance with Article
26 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
27 Division 4 of Title 2 of the Government Code, which is a part of
28 the State General Obligation Bond Law. Approval by the voters
29 of the state for the issuance of the bonds described in this chapter
30 includes the approval of the issuance of any bonds issued to refund
31 any bonds originally issued under this chapter or any previously
32 issued refunding bonds.

33 101131. The Legislature hereby finds and declares that,
34 inasmuch as the proceeds from the sale of bonds authorized by
35 this chapter are not “proceeds of taxes” as that term is used in
36 Article XIII B of the California Constitution, the disbursement of
37 these proceeds is not subject to the limitations imposed by that
38 article.

1 CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES

2

3

Article 1. General

4

5 101132. (a) The 2014 California Community College Capital
6 Outlay Bond Fund is hereby established in the State Treasury for
7 deposit of funds from the proceeds of bonds issued and sold for
8 the purposes of this chapter.

9 (b) The Higher Education Facilities Finance Committee
10 established pursuant to Section 67353 is hereby authorized to create
11 a debt or debts, liability or liabilities, of the State of California
12 pursuant to this chapter for the purpose of providing funds to aid
13 the California Community Colleges.

14

15 Article 2. California Community College Program Provisions

16

17 101133. (a) From the proceeds of bonds issued and sold
18 pursuant to Article 3 (commencing with Section 101134), the sum
19 of ~~_____ dollars (\$_____)~~ *two hundred million dollars*
20 *(\$200,000,000)* shall be deposited in the 2014 California
21 Community College Capital Outlay Bond Fund for the purposes
22 of this article. When appropriated, these funds shall be available
23 for expenditure for the purposes of this article.

24 (b) The purposes of this article include assisting in meeting the
25 capital outlay financing needs of the California Community
26 Colleges.

27 (c) Proceeds from the sale of bonds issued and sold for the
28 purposes of this article may be used to fund construction on
29 existing campuses, including the construction of buildings and the
30 acquisition of related fixtures, construction of facilities that may
31 be used by more than one segment of public higher education
32 (intersegmental), the renovation and reconstruction of facilities,
33 site acquisition, the equipping of new, renovated, or reconstructed
34 facilities, which equipment shall have an average useful life of 10
35 years; and to provide funds for the payment of preconstruction
36 costs, including, but not limited to, preliminary plans and working
37 drawings for facilities of the California Community Colleges.

1 Article 3. California Community College Fiscal Provisions

2
3 101134. (a) Of the total amount of bonds authorized to be
4 issued and sold pursuant to Chapter 1 (commencing with Section
5 101100), bonds in the total amount of ~~_____ dollars (\$_____)~~; *two*
6 *hundred million dollars (\$200,000,000)*, not including the amount
7 of any refunding bonds issued in accordance with Section 101139,
8 or so much thereof as is necessary, may be issued and sold to
9 provide a fund to be used for carrying out the purposes expressed
10 in this chapter and to reimburse the General Obligation Bond
11 Expense Revolving Fund pursuant to Section 16724.5 of the
12 Government Code. The bonds, when sold, shall be and constitute
13 a valid and binding obligation of the State of California, and the
14 full faith and credit of the State of California is hereby pledged
15 for the punctual payment of the principal of, and interest on, the
16 bonds as the principal and interest become due and payable.

17 (b) It is the intent of the Legislature that the California
18 Community Colleges annually consider, as part of their annual
19 capital outlay planning process, the inclusion of facilities that may
20 be used by more than one segment of public higher education
21 (intersegmental), and, that on or before May 15 of each year, those
22 entities report their findings to the budget committees of each
23 house of the Legislature.

24 (c) Pursuant to this section, the Treasurer shall sell the bonds
25 authorized by the Higher Education Facilities Finance Committee
26 established pursuant to Section 67353 at any different times
27 necessary to service expenditures required by the apportionments.

28 101134.5. (a) The bonds authorized by this chapter shall be
29 prepared, executed, issued, sold, paid, and redeemed as provided
30 in the State General Obligation Bond Law (Chapter 4 (commencing
31 with Section 16720) of Part 3 of Division 4 of Title 2 of the
32 Government Code), and all of the provisions of that law, except
33 Section 16727 of the Government Code to the extent that it
34 conflicts with this part, apply to the bonds and to this chapter and
35 are hereby incorporated into this chapter as though set forth in full
36 within this chapter.

37 (b) For the purposes of the State General Obligation Bond Law,
38 each state agency administering an appropriation of the 2014
39 Community College Capital Outlay Bond Fund is designated as
40 the “board” for projects funded pursuant to this chapter.

1 (c) The proceeds of the bonds issued and sold pursuant to this
2 chapter shall be available for the purpose of funding aid to the
3 California Community Colleges for the construction on existing
4 or new campuses, and their respective off-campus centers and joint
5 use and intersegmental facilities, as set forth in this chapter.

6 101135. The Higher Education Facilities Finance Committee
7 established pursuant to Section 67353 shall authorize the issuance
8 of bonds under this chapter only to the extent necessary to fund
9 the apportionments for the purposes described in this chapter that
10 are expressly authorized by the Legislature in the annual Budget
11 Act. Pursuant to that legislative direction, the committee shall
12 determine whether or not it is necessary or desirable to issue bonds
13 authorized pursuant to this chapter in order to carry out the
14 purposes described in this chapter and, if so, the amount of bonds
15 to be issued and sold. Successive issues of bonds may be authorized
16 and sold to carry out those actions progressively, and it is not
17 necessary that all of the bonds authorized to be issued be sold at
18 any one time.

19 101135.5. There shall be collected each year and in the same
20 manner and at the same time as other state revenue is collected,
21 in addition to the ordinary revenues of the state, a sum in an amount
22 required to pay the principal of, and interest on, the bonds each
23 year. It is the duty of all officers charged by law with any duty in
24 regard to the collection of the revenue to do and perform each and
25 every act which is necessary to collect that additional sum.

26 101136. Notwithstanding Section 13340 of the Government
27 Code, there is hereby appropriated from the General Fund in the
28 State Treasury, for the purposes of this chapter, an amount that
29 will equal the total of the following:

30 (a) The sum annually necessary to pay the principal of, and
31 interest on, bonds issued and sold pursuant to this chapter, as the
32 principal and interest become due and payable.

33 (b) The sum necessary to carry out Section 101137.5,
34 appropriated without regard to fiscal years.

35 101136.5. The board, as defined in subdivision (b) of Section
36 101134.5, may request the Pooled Money Investment Board to
37 make a loan from the Pooled Money Investment Account or any
38 other approved form of interim financing, in accordance with
39 Section 16312 of the Government Code, for the purpose of carrying
40 out this chapter. The amount of the request shall not exceed the

1 amount of the unsold bonds that the committee, by resolution, has
2 authorized to be sold for the purpose of carrying out this chapter.
3 The board, as defined in subdivision (b) of Section 101134.5, shall
4 execute any documents required by the Pooled Money Investment
5 Board to obtain and repay the loan. Any amounts loaned shall be
6 deposited in the fund to be allocated by the board in accordance
7 with this chapter.

8 101137. Notwithstanding any other provision of this chapter,
9 or of the State General Obligation Bond Law, if the Treasurer sells
10 bonds pursuant to this chapter that include a bond counsel opinion
11 to the effect that the interest on the bonds is excluded from gross
12 income for federal tax purposes, subject to designated conditions,
13 the Treasurer may maintain separate accounts for the investment
14 of bond proceeds and for the investment earnings on those
15 proceeds. The Treasurer may use or direct the use of those proceeds
16 or earnings to pay any rebate, penalty, or other payment required
17 under federal law or take any other action with respect to the
18 investment and use of those bond proceeds required or desirable
19 under federal law to maintain the tax-exempt status of those bonds
20 and to obtain any other advantage under federal law on behalf of
21 the funds of this state.

22 101137.5. (a) For the purposes of carrying out this chapter,
23 the Director of Finance may authorize the withdrawal from the
24 General Fund of an amount not to exceed the amount of the unsold
25 bonds that have been authorized by the Higher Education Facilities
26 Finance Committee to be sold for the purpose of carrying out this
27 chapter. Any amounts withdrawn shall be deposited in the 2014
28 California Community College Capital Outlay Bond Fund
29 consistent with this chapter. Any money made available under this
30 section shall be returned to the General Fund, plus an amount equal
31 to the interest that the money would have earned in the Pooled
32 Money Investment Account, from proceeds received from the sale
33 of bonds for the purpose of carrying out this chapter.

34 (b) Any request forwarded to the Legislature and the Department
35 of Finance for funds from this bond issue for expenditure for the
36 purposes described in this chapter by the California Community
37 Colleges shall be accompanied by the five-year capital outlay plan
38 that reflects the needs and priorities of the community college
39 system and is prioritized on a statewide basis. Requests shall
40 include a schedule that prioritizes the seismic retrofitting needed

1 to significantly reduce, in the judgment of the particular college,
2 seismic hazards in buildings identified as high priority by the
3 college.

4 101138. All money deposited in the 2014 California
5 Community College Capital Outlay Bond Fund that is derived
6 from premium and accrued interest on bonds sold shall be reserved
7 in the fund, and shall be available for transfer to the General Fund
8 as a credit to expenditures for bond interest.

9 101139. The bonds may be refunded in accordance with Article
10 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
11 Division 4 of Title 2 of the Government Code, which is a part of
12 the State General Obligation Bond Law. Approval by the voters
13 of the state for the issuance of the bonds described in this chapter
14 includes the approval of the issuance of any bonds issued to refund
15 any bonds originally issued under this chapter or any previously
16 issued refunding bonds.

17 101139.5. The Legislature hereby finds and declares that,
18 inasmuch as the proceeds from the sale of bonds authorized by
19 this chapter are not “proceeds of taxes” as that term is used in
20 Article XIII B of the California Constitution, the disbursement of
21 these proceeds is not subject to the limitations imposed by that
22 article.

23
24 CHAPTER 4. UNIVERSITY FACILITIES

25
26 Article 1. General

27
28 101140. (a) The system of public universities in this state
29 includes the University of California, the Hastings College of the
30 Law, and the California State University, and their respective
31 off-campus centers.

32 (b) The 2014 University Capital Outlay Bond Fund is hereby
33 established in the State Treasury for deposit of funds from the
34 proceeds of bonds issued and sold for the purposes of this chapter.

35 (c) The Higher Education Facilities Finance Committee
36 established pursuant to Section 67353 is hereby authorized to create
37 a debt or debts, liability or liabilities, of the State of California
38 pursuant to this chapter for the purpose of providing funds to aid
39 the University of California, the Hastings College of the Law, and
40 the California State University.

1 Article 2. Program Provisions Applicable to the University of
2 California and the Hastings College of the Law

3
4 101141. (a) From the proceeds of bonds issued and sold
5 pursuant to Article 4 (commencing with Section 101150), the sum
6 of ~~_____ dollars (\$_____)~~ *two hundred million dollars*
7 *(\$200,000,000)* shall be deposited in the 2014 University Capital
8 Outlay Bond Fund for the purposes of this article. When
9 appropriated, these funds shall be available for expenditure for the
10 purposes of this article.

11 (b) The purposes of this article include assisting in meeting the
12 capital outlay financing needs of the University of California and
13 the Hastings College of the Law.

14 (c) Proceeds from the sale of bonds issued and sold for the
15 purposes of this article may be used to fund construction on
16 existing campuses, including the construction of buildings and the
17 acquisition of related fixtures, construction of facilities that may
18 be used by more than one segment of public higher education
19 (intersegmental), the renovation and reconstruction of facilities,
20 site acquisition, the equipping of new, renovated, or reconstructed
21 facilities, which equipment shall have an average useful life of 10
22 years; and to provide funds for the payment of preconstruction
23 costs, including, but not limited to, preliminary plans and working
24 drawings for facilities of the University of California and the
25 Hastings College of the Law.

26
27 Article 3. Program Provisions Applicable to the California State
28 University

29
30 101142. (a) From the proceeds of bonds issued and sold
31 pursuant to Article 4 (commencing with Section 101150), the sum
32 of ~~_____ dollars (\$_____)~~ *two hundred million dollars*
33 *(\$200,000,000)* shall be deposited in the 2014 University Capital
34 Outlay Bond Fund for the purposes of this article. When
35 appropriated, these funds shall be available for expenditure for the
36 purposes of this article.

37 (b) The purposes of this article include assisting in meeting the
38 capital outlay financing needs of the California State University.

39 (c) Proceeds from the sale of bonds issued and sold for the
40 purposes of this article may be used to fund construction on

1 existing campuses, including the construction of buildings and the
2 acquisition of related fixtures, construction of facilities that may
3 be used by more than one segment of public higher education
4 (intersegmental), the renovation and reconstruction of facilities,
5 site acquisition, the equipping of new, renovated, or reconstructed
6 facilities, which equipment shall have an average useful life of 10
7 years; and to provide funds for the payment of preconstruction
8 costs, including, but not limited to, preliminary plans and working
9 drawings for facilities of the California State University.

10
11 Article 4. University Fiscal Provisions
12

13 101150. (a) Of the total amount of bonds authorized to be
14 issued and sold pursuant to Chapter 1 (commencing with Section
15 101100), bonds in the amount of ~~_____ dollars (\$_____)~~; *four*
16 *hundred million dollars (\$400,000,000)*, not including the amount
17 of any refunding bonds issued in accordance with Section 101159,
18 or so much thereof as is necessary, may be issued and sold to
19 provide a fund to be used for carrying out the purposes expressed
20 in this chapter and to reimburse the General Obligation Bond
21 Expense Revolving Fund pursuant to Section 16724.5 of the
22 Government Code. The bonds, when sold, shall be and constitute
23 a valid and binding obligation of the State of California, and the
24 full faith and credit of the State of California is hereby pledged
25 for the punctual payment of the principal of, and interest on, the
26 bonds as the principal and interest become due and payable.

27 (b) It is the intent of the Legislature that the University of
28 California and the California State University annually consider,
29 as part of their annual capital outlay planning process, the inclusion
30 of facilities that may be used by more than one segment of public
31 higher education (intersegmental), and, that on or before May 15
32 of each year, those entities report their findings to the budget
33 committees of each house of the Legislature.

34 (c) Pursuant to this section, the Treasurer shall sell the bonds
35 authorized by the Higher Education Facilities Finance Committee
36 established pursuant to Section 67353 at any different times
37 necessary to service expenditures required by the apportionments.

38 101151. (a) The bonds authorized by this chapter shall be
39 prepared, executed, issued, sold, paid, and redeemed as provided
40 in the State General Obligation Bond Law (Chapter 4 (commencing

1 with Section 16720) of Part 3 of Division 4 of Title 2 of the
 2 Government Code), and all of the provisions of that law, except
 3 Section 16727 of the Government Code to the extent that it
 4 conflicts with this part, apply to the bonds and to this chapter and
 5 are hereby incorporated into this chapter as though set forth in full
 6 within this chapter.

7 (b) For the purposes of the State General Obligation Bond Law,
 8 each state agency administering an appropriation of the 2014
 9 University Capital Outlay Bond Fund is designated as the “board”
 10 for projects funded pursuant to this chapter.

11 (c) The proceeds of the bonds issued and sold pursuant to this
 12 chapter shall be available for the purpose of funding aid to the
 13 University of California, the Hastings College of the Law, and the
 14 California State University, for the construction on existing or new
 15 campuses, and their respective off-campus centers and joint use
 16 and intersegmental facilities, as set forth in this chapter.

17 101152. The Higher Education Facilities Finance Committee
 18 established pursuant to Section 67353 shall authorize the issuance
 19 of bonds under this chapter only to the extent necessary to fund
 20 the apportionments for the purposes described in this chapter that
 21 are expressly authorized by the Legislature in the annual Budget
 22 Act. Pursuant to that legislative direction, the committee shall
 23 determine whether or not it is necessary or desirable to issue bonds
 24 authorized pursuant to this chapter in order to carry out the
 25 purposes described in this chapter and, if so, the amount of bonds
 26 to be issued and sold. Successive issues of bonds may be authorized
 27 and sold to carry out those actions progressively, and it is not
 28 necessary that all of the bonds authorized to be issued be sold at
 29 any one time.

30 101153. There shall be collected each year and in the same
 31 manner and at the same time as other state revenue is collected,
 32 in addition to the ordinary revenues of the state, a sum in an amount
 33 required to pay the principal of, and interest on, the bonds each
 34 year. It is the duty of all officers charged by law with any duty in
 35 regard to the collection of the revenue to do and perform each and
 36 every act which is necessary to collect that additional sum.

37 101154. Notwithstanding Section 13340 of the Government
 38 Code, there is hereby appropriated from the General Fund in the
 39 State Treasury, for the purposes of this chapter, an amount that
 40 will equal the total of the following:

1 (a) The sum annually necessary to pay the principal of, and
2 interest on, bonds issued and sold pursuant to this chapter, as the
3 principal and interest become due and payable.

4 (b) The sum necessary to carry out Section 101157, appropriated
5 without regard to fiscal years.

6 101155. The board, as defined in subdivision (b) of Section
7 101151, may request the Pooled Money Investment Board to make
8 a loan from the Pooled Money Investment Account or any other
9 approved form of interim financing, in accordance with Section
10 16312 of the Government Code, for the purpose of carrying out
11 this chapter. The amount of the request shall not exceed the amount
12 of the unsold bonds that the committee, by resolution, has
13 authorized to be sold for the purpose of carrying out this chapter.
14 The board, as defined in subdivision (b) of Section 101151, shall
15 execute any documents required by the Pooled Money Investment
16 Board to obtain and repay the loan. Any amounts loaned shall be
17 deposited in the fund to be allocated by the board in accordance
18 with this chapter.

19 101156. Notwithstanding any other provision of this chapter,
20 or of the State General Obligation Bond Law, if the Treasurer sells
21 bonds pursuant to this chapter that include a bond counsel opinion
22 to the effect that the interest on the bonds is excluded from gross
23 income for federal tax purposes, subject to designated conditions,
24 the Treasurer may maintain separate accounts for the investment
25 of bond proceeds and for the investment earnings on those
26 proceeds. The Treasurer may use or direct the use of those proceeds
27 or earnings to pay any rebate, penalty, or other payment required
28 under federal law or take any other action with respect to the
29 investment and use of those bond proceeds required or desirable
30 under federal law to maintain the tax-exempt status of those bonds
31 and to obtain any other advantage under federal law on behalf of
32 the funds of this state.

33 101157. (a) For the purposes of carrying out this chapter, the
34 Director of Finance may authorize the withdrawal from the General
35 Fund of an amount not to exceed the amount of the unsold bonds
36 that have been authorized by the Higher Education Facilities
37 Finance Committee to be sold for the purpose of carrying out this
38 chapter. Any amounts withdrawn shall be deposited in the 2014
39 University Capital Outlay Bond Fund consistent with this chapter.
40 Any money made available under this section shall be returned to

1 the General Fund, plus an amount equal to the interest that the
2 money would have earned in the Pooled Money Investment
3 Account, from proceeds received from the sale of bonds for the
4 purpose of carrying out this chapter.

5 (b) Any request forwarded to the Legislature and the Department
6 of Finance for funds from this bond issue for expenditure for the
7 purposes described in this chapter by the University of California,
8 the Hastings College of the Law, or the California State University
9 shall be accompanied by the five-year capital outlay plan. Requests
10 forwarded by a university or college shall include a schedule that
11 prioritizes the seismic retrofitting needed to significantly reduce,
12 in the judgment of the particular university or college, seismic
13 hazards in buildings identified as high priority by the university
14 or college.

15 101158. All money deposited in the 2014 University Capital
16 Outlay Bond Fund that is derived from premium and accrued
17 interest on bonds sold shall be reserved in the fund, and shall be
18 available for transfer to the General Fund as a credit to expenditures
19 for bond interest.

20 101159. The bonds may be refunded in accordance with Article
21 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
22 Division 4 of Title 2 of the Government Code, which is a part of
23 the State General Obligation Bond Law. Approval by the voters
24 of the state for the issuance of the bonds described in this chapter
25 includes the approval of the issuance of any bonds issued to refund
26 any bonds originally issued under this chapter or any previously
27 issued refunding bonds.

28 101160. The Legislature hereby finds and declares that,
29 inasmuch as the proceeds from the sale of bonds authorized by
30 this chapter 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. 11.~~

35 ~~SEC. 17.~~ The Secretary of State shall submit Section ~~10 16~~ of
36 this act to the voters at the November 4, 2014, statewide general
37 election.

38 ~~SEC. 18.~~ (a) *The Secretary of State shall include in the ballot*
39 *pamphlet for the November 4, 2014, statewide general election,*
40 *mailed pursuant to Section 9094 of the Elections Code, the*

1 information specified in Section 9084 of the Elections Code
2 regarding the measure described in Section 16 of this act. If that
3 inclusion is not possible, the Secretary of State shall publish a
4 supplemental pamphlet regarding this act, to be mailed with the
5 ballot pamphlet. If the supplemental ballot pamphlet cannot be
6 mailed with the ballot pamphlet, the supplemental ballot pamphlet
7 shall be mailed separately.

8 (b) Notwithstanding Section 9054 of the Elections Code or any
9 other law, the translations of the ballot title and the condensed
10 statement of the ballot title required pursuant to Section 9054 may
11 be made available for public examination at a later date than the
12 start of the public examination period for the ballot pamphlet,
13 provided that the translations of the ballot title and the condensed
14 statement of the ballot title must remain available for public
15 examination for eight days.

16 (c) Notwithstanding Section 13282 of the Elections Code or any
17 other law, the public shall be permitted to examine the condensed
18 statement of the ballot title for not more than eight days. Any voter
19 may seek a writ of mandate for the purpose of requiring the
20 condensed statement of the ballot title, or portion thereof, to be
21 amended or deleted only within that eight-day period.

22 *SEC. 19.* Notwithstanding Section 13115 of the Elections Code,
23 Section 16 of this act, placed on the ballot by the Legislature for
24 the November 4, 2014, statewide general election after the 131-day
25 deadline set forth in Section 9040 of the Elections Code, shall be
26 placed on the ballot following all other ballot measures.

27 ~~SEC. 12.~~

28 *SEC. 20.* The provisions of this act are severable. If any
29 provision of this act or its application is held invalid, that invalidity
30 shall not affect other provisions or applications that can be given
31 effect without the invalid provision or application.

32 ~~SEC. 13.~~

33 *SEC. 21.* Sections 1 to ~~10~~, 16, inclusive, of this act shall become
34 operative only if the voters approve the Kindergarten-University
35 Public Education Facilities Bond Act of 2014, as set forth in
36 Section 10 of this act.

37 ~~SEC. 14.~~

38 *SEC. 22.* This act is an urgency statute necessary for the
39 immediate preservation of the public peace, health, or safety within

1 the meaning of Article IV of the Constitution and shall go into
2 immediate effect. The facts constituting the necessity are:
3 In order to ensure, at the earliest possible time, that the electorate
4 is provided with the opportunity to vote on the financing of
5 necessary educational facilities at the November 4, 2014, statewide
6 general election, including related statutory changes, it is necessary
7 that this act take effect immediately.

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