

AMENDED IN ASSEMBLY JUNE 12, 2014

**SENATE BILL**

**No. 869**

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**Introduced by Committee on Budget and Fiscal Review**

January 9, 2014

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*An act relating to the Budget Act of 2014. An act to amend Section 101012 of, to add Sections 17070.965 and 17078.73 to, and to add and repeal Section 17070.53 of, the Education Code, relating to school facilities, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 869, as amended, Committee on Budget and Fiscal Review.  
~~Budget Act of 2014. School facilities: construction: bond act.~~

*(1) The Kindergarten-University Public Education Facilities Bond Act of 2006 (bond act), approved by the voters at the November 7, 2006, statewide general election, among other things, authorizes the issuance and sale of state general obligation bonds, and requires the proceeds to be allocated for specified purposes, including construction and modernization of elementary and secondary school facilities. Existing law states that the Legislature is authorized to adjust the funding amounts set aside for specific purposes related to elementary and secondary school facilities by a statute passed in each house of the Legislature by a <sup>2</sup>/<sub>3</sub> vote if the statute is consistent with, and furthers the purposes of, provisions of the bond act. The bond act, among other things, provides for the allocation of \$100,000,000 for incentive grants to promote the use of designs and materials in new construction and modernization projects that include attributes of high-performance schools, as specified.*

*This bill would prohibit the State Allocation Board from approving funding for the incentive grants specified above on and after January*

1, 2015, and would provide for the reallocation of the amounts not yet approved by the board for other specified purposes, including new construction and modernization of school facilities, and seismic repair, reconstruction, or replacement, as specified.

(2) Existing law establishes the Career Technical Education Facilities Program to provide funding for qualified local educational agencies for purposes of constructing new facilities or reconfiguring existing facilities for career technical education, as specified. The bond act provides for the allocation of \$500,000,000 for purposes of the Career Technical Education Facilities Program.

This bill would prohibit the State Allocation Board from approving an allocation for any projects pursuant to the Career Technical Education Facilities Program on and after January 1, 2015, and would provide for the allocation of the amounts not yet approved by the board by that date for other specified purposes, including new construction and modernization of school facilities and seismic repair, reconstruction, or replacement, as specified.

(3) The bill would require the Office of Public School Construction to report to the State Allocation Board and the Legislature by March 1, 2015, on efforts to streamline and speed up the award of seismic mitigation funds.

(4) The bill includes a legislative finding and declaration that this act is consistent with, and furthers the purposes of, provisions of the bond act related to elementary and secondary school facilities.

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

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~<sup>yes</sup>. State-mandated local program: no.

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

1     SECTION 1. Section 17070.53 is added to the Education Code,  
2     to read:  
3     17070.53. (a) The Office of Public School Construction shall  
4     report to the board and the Legislature by March 1, 2015, on  
5     efforts to streamline and speed up the award of seismic mitigation  
6     funds.

1 (b) *The report required to be submitted to the Legislature shall*  
2 *be submitted in accordance with Section 9795 of the Government*  
3 *Code.*

4 (c) *This section shall remain in effect only until January 1,*  
5 *2016, and as of that date is repealed, unless a later enacted statute,*  
6 *that is enacted before January 1, 2016, deletes or extends that*  
7 *date.*

8 *SEC. 2. Section 17070.965 is added to the Education Code,*  
9 *immediately following Section 17070.96, to read:*

10 *17070.965. On or after January 1, 2015, the board shall not*  
11 *approve funding for incentive grants to promote the use of designs*  
12 *and materials in new construction and modernization projects that*  
13 *include the attributes of high-performance schools, including, but*  
14 *not limited to, the elements set forth in Section 17070.96.*

15 *SEC. 3. Section 17078.73 is added to the Education Code, to*  
16 *read:*

17 *17078.73. On or after January 1, 2015, the board shall not*  
18 *approve any projects pursuant to this article.*

19 *SEC. 4. Section 101012 of the Education Code is amended to*  
20 *read:*

21 101012. (a) The proceeds from the sale of bonds, issued and  
22 sold for the purposes of this chapter, shall be allocated in  
23 accordance with the following schedule:

24 (1) The amount of one billion nine hundred million dollars  
25 (\$1,900,000,000) for new construction of school facilities of  
26 applicant school districts under Chapter 12.5 (commencing with  
27 Section 17070.10) of Part 10. Of the amount allocated under this  
28 paragraph, up to 10.5 percent shall be available for purposes of  
29 seismic repair, reconstruction, or replacement, pursuant to Section  
30 17075.10.

31 (2) The amount of five hundred million dollars (\$500,000,000)  
32 shall be available for providing school facilities to charter schools  
33 pursuant to Article 12 (commencing with Section 17078.52) of  
34 Chapter 12.5 of Part 10.

35 (3) The amount of three billion three hundred million dollars  
36 (\$3,300,000,000) for the modernization of school facilities pursuant  
37 to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

38 (4) (A) The amount of five hundred million dollars  
39 (\$500,000,000) for the purposes set forth in Article 13

1 (commencing with Section 17078.70) of Chapter 12.5 of Part 10,  
2 relating to facilities for career technical education programs.

3 *(B) Of the amount not yet approved for allocation by the State*  
4 *Allocation Board pursuant to this paragraph by January 1, 2015,*  
5 *50 percent shall be available for the purpose of paragraph (1),*  
6 *and 50 percent shall be available for purposes of paragraph (3).*  
7 *If an apportionment or State Allocation Board approval pursuant*  
8 *to this paragraph is rescinded after January 1, 2015, the rescinded*  
9 *amount shall be available for the purposes of paragraphs (1) and*  
10 *(3). The State Allocation Board shall determine the percentage of*  
11 *the rescinded amount to be used for purposes of paragraph (1)*  
12 *and the percentage of the rescinded amount to be used for purposes*  
13 *of paragraph (3).*

14 (5) Of the amounts allocated under paragraphs (1) and (3), up  
15 to two hundred million dollars (\$200,000,000) for the purposes  
16 set forth in Chapter 894 of the Statutes of 2004, relating to  
17 incentives for the creation of smaller learning communities and  
18 small high schools.

19 (6) The amount of twenty-nine million dollars (\$29,000,000)  
20 for the purposes set forth in Article 10.6 (commencing with Section  
21 17077.40) of Chapter 12.5 of Part ~~10~~, *10 of Division 1 of Title 1*,  
22 relating to joint use projects.

23 (7) The amount of one billion dollars (\$1,000,000,000) shall be  
24 available for providing new construction funding to severely  
25 overcrowded schoolsites pursuant to Article 14 (commencing with  
26 Section 17079) of Chapter 12.5 of Part ~~10~~. *10 of Division 1 of Title*  
27 *1.*

28 (8) (A) The amount of one hundred million dollars  
29 (\$100,000,000) for incentive grants to promote the use of designs  
30 and materials in new construction and modernization projects that  
31 include the attributes of high-performance schools, including, but  
32 not limited to, the elements set forth in Section 17070.96, pursuant  
33 to regulations adopted by the State Allocation Board.

34 *(B) Of the amount not yet approved for allocation by the State*  
35 *Allocation Board pursuant to this paragraph by January 1, 2015,*  
36 *50 percent shall be available for purposes of paragraph (1), and*  
37 *50 percent shall be available for purposes of paragraph (3). If an*  
38 *apportionment or State Allocation Board approval pursuant to*  
39 *this paragraph is rescinded on or after January 1, 2015, the*  
40 *rescinded amount shall be available for purposes of paragraphs*

1 (1) and (3). The State Allocation Board shall determine the  
2 percentage of the rescinded amount to be used for purposes of  
3 paragraph (1) and the percentage of the rescinded amount to be  
4 used for purposes of paragraph (3).

5 (b) School districts may use funds allocated pursuant to  
6 paragraph (3) of subdivision (a) only for one or more of the  
7 following purposes in accordance with Chapter 12.5 (commencing  
8 with Section 17070.10) of Part ~~10~~: *10 of Division 1 of Title 1*:

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

11 (2) Construction projects or the purchase of furniture or  
12 equipment designed to increase school security or playground  
13 safety.

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

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

17 (5) Any other modernization of facilities pursuant to Chapter  
18 12.5 (commencing with Section 17070.10) of Part ~~10~~: *10 of*  
19 *Division 1 of Title 1*.

20 (c) Funds allocated pursuant to paragraph (1) of subdivision (a)  
21 may also be ~~utilized~~ *used* to provide new construction grants for  
22 eligible applicant county boards of education under Chapter 12.5  
23 (commencing with Section 17070.10) of Part *10 of Division 1 of*  
24 *Title 1* for funding classrooms for severely handicapped pupils, or  
25 for funding classrooms for county community school pupils.

26 (d) (1) The Legislature may amend this section to adjust the  
27 funding amounts specified in paragraphs (1) to (8), inclusive, of  
28 subdivision (a), only by either of the following methods:

29 (A) By a statute, passed in each house of the Legislature by  
30 rollcall vote entered in the respective journals, by not less than  
31 two-thirds of the membership in each house concurring, if the  
32 statute is consistent with, and furthers the purposes of, this chapter.

33 (B) By a statute that becomes effective only when approved by  
34 the voters.

35 (2) Amendments pursuant to this subdivision may adjust the  
36 amounts to be expended pursuant to paragraphs (1) to (8), inclusive,  
37 of subdivision (a), but may not increase or decrease the total  
38 amount to be expended pursuant to that subdivision.

1 (e) Funds available pursuant to this section may be used for  
2 acquisition of school facilities authorized pursuant to Section  
3 17280.5.

4 *SEC. 5. The Legislature finds and declares that this act is*  
5 *consistent with, and furthers the purposes of, Chapter 2*  
6 *(commencing with Section 101010) of Part 69 of Division 14 of*  
7 *Title 3 of the Education Code.*

8 *SEC. 6. This act is an urgency statute necessary for the*  
9 *immediate preservation of the public peace, health, or safety within*  
10 *the meaning of Article IV of the Constitution and shall go into*  
11 *immediate effect. The facts constituting the necessity are:*

12 *In order for school districts to access bond authority for*  
13 *necessary school facility construction, it is necessary for this act*  
14 *to take effect immediately.*

15 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
16 ~~changes relating to the Budget Act of 2014.~~