

AMENDED IN SENATE JUNE 11, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 114

Introduced by Committee on Budget (Weber (Chair), Bloom, Bonta, Campos, Chiu, Cooper, Gordon, Jones-Sawyer, McCarty, Mullin, Nazarian, O'Donnell, Rodriguez, Thurmond, Ting, and Williams)

January 9, 2015

~~An act relating to the Budget Act of 2015. An act to amend Sections 13332.19, 15816, 15817.1, 15820.903, 15820.913, 15820.922, 15831, 15832, and 15848 of, and to repeal Section 15770.5 of, the Government Code, relating to public works, and making an appropriation therefor; to take effect immediately, bill related to the budget.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 114, as amended, Committee on Budget. ~~Budget Act of 2015.~~
Public works: building construction.

(1) Existing law, except as specified, prohibits any state agency from expending funds appropriated for design-build projects until the Department of Finance and the State Public Works Board have approved performance criteria or performance criteria and concept drawings for the project. Existing law, for these purposes, defines the term "performance criteria" to mean the information that fully describes the scope of the proposed project, as specified. Existing law, for these purposes, defines the term "concept drawings" to mean any schematic drawings or architectural renderings that are prepared, in addition to performance criteria, in the detail necessary to sufficiently describe the state's needs.

This bill would revise the definition of “performance criteria,” for these purposes, to include concept drawings, as specified. The bill would additionally make conforming changes.

(2) Existing law establishes the State Public Works Board which consists of the Director of Finance, the Director of Transportation, and the Director of General Services. Existing law authorizes the Director of Transportation and the Director of General Services to appoint a deputy or assistant director in their respective departments to act in their place on the board, as specified.

This bill would repeal that authorization.

(3) Existing law requires the State Public Works Board to notify the Department of General Services whenever the revenues, rentals, or receipts from the operation of a public building that was acquired or constructed by the board are no longer required or pledged for the payment of principal or interest on any of the certificates or revenue bonds of the board. Existing law provides that thereafter, that public building is under the jurisdiction of, and operated and maintained by, the Department of General Services.

This bill would repeal this notification requirement and instead require those buildings to return to the jurisdiction of, and be operated and managed by, the state agency that had jurisdiction of the property prior to the board’s financing of the public building. The bill would additionally make conforming changes.

Existing law exempts from these provisions any public buildings that are acquired by lease by the board from a state agency, for the purposes of leasing the public building back to the state agency, as specified, and public buildings constructed for lease purchase to the University of California, the Trustees of the California State University, the Board of Governors of the California Maritime Academy, or any community college district. Existing law provides that when the revenues, rentals, or receipts from the operation of any public facility or public building are no longer required or pledged for the payment of principal or interest on the certificates or revenue bonds of the board, title to the public building vests in the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Maritime Academy, or the community college district.

This bill would repeal these exemption and vesting provisions.

(4) Existing law, until July 1, 2015, authorizes the State Public Works Board to acquire public buildings by lease from any state agency, and to lease those public buildings back to the state agency and pledge the

revenues, rentals, or receipts to the lease to secure repayment of revenue bonds, notes, or certificates issued by the board for the purpose of facilitating the financing of public buildings, as specified.

This bill would eliminate the repeal date and require the Department of Finance to report to the Legislature by June 30, 2017, on the effects of this repeal, as specified.

(5) Existing law requires all revenue bonds issued for state building construction to bear the signature of the Governor, and the facsimile countersignature of the Controller and the Treasurer, as specified. Existing law requires all interest coupons attached to each bond to bear the facsimile signature of the Treasurer, as specified. Existing law specifies that the rate of interest to be born by the bonds need not be uniform for all bonds of the same issue or series or division and provides that the rate may be determined and fixed by the State Public Works Board by resolution adopted at or after the sale of the bonds.

This bill would eliminate the requirement that all interest coupons attached to each bond bear the facsimile signature of the Treasurer and all references to interest coupons in these provisions. The bill would additionally provide that a “not to exceed” interest rate may be determined and fixed by the board by resolution adopted prior to or after the sale of the bonds.

(6) Existing law requires the highest bid received on the sale of the bonds to be determined by deducting the total amount of the premium bid, if any, from the total amount of the interest that the state would be required to pay from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity date of the bonds, as specified, and requires the award to be made on the basis of the lowest net interest cost to the state. Existing law requires the Treasurer, upon receipt of a resolution of the State Public Works Board authorizing the issuance of bonds, to provide for the preparation of the bonds in accordance with the resolution. In the case of a public sale, existing law authorizes the Treasurer to sell the bonds at the time, and with the notice, determined by the Treasurer, upon sealed bids, to the bidder whose bid will result in the lowest net interest cost on account of the bonds.

This bill would instead authorize the Treasurer, for a public sale, to set forth the form and means of bids, and to sell to the bidder whose bid will result in the lowest interest cost to the state on account of the bonds. The bill would set forth the procedures the Treasurer may use

to determine the lowest interest cost to the state, including the net interest cost of each bid, or the true interest cost of each bid, as defined.

(7) 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 Board of State and Community Corrections (BSCC). Existing law authorizes the State Public Works Board to issue revenue bonds, notes, or bond anticipation notes in the amounts of \$365,771,000 and \$854,229,000, in 2 phases, to finance the acquisition, design, and construction, and a reasonable construction reserve, of approved local jail facilities, as specified. Existing law authorizes the State Public Works Board to issue revenue bonds, notes, or bond anticipation notes in the amount of \$500,000,000 to finance the acquisition, design, and construction, and a reasonable construction reserve, of approved adult local criminal justice facilities, as defined. 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 in the first phase from \$365,771,000 to \$340,866,000 and increase the authorization of the 2nd phase from \$854,229,000 to \$870,074,000. The bill would also increase the authorization to be used for adult local criminal justice facilities from \$500,000,000 to \$509,060,000.

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

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2015.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

1 SECTION 1. Section 13332.19 of the Government Code is
2 amended to read:

3 13332.19. (a) For the purposes of this section, the following
4 definitions shall apply:

5 (1) “Design-build” means a construction procurement process
6 in which both the design and construction of a project are procured
7 from a single entity.

1 (2) “Design-build project” means a capital outlay project using
2 the design-build construction procurement process.

3 (3) “Design-build entity” means a partnership, corporation, or
4 other legal entity that is able to provide appropriately licensed
5 contracting, architectural, and engineering services as needed.

6 (4) “Design-build solicitation package” means the performance
7 criteria, any concept drawings, the form of contract, and all other
8 documents and information that serve as the basis on which bids
9 or proposals will be solicited from the design-build entities.

10 (5) “Design-build phase” means the period following the award
11 of a contract to a design-build entity in which the design-build
12 entity completes the design and construction activities necessary
13 to fully complete the project in compliance with the terms of the
14 contract.

15 (6) “Performance criteria” means the information that fully
16 describes the scope of the proposed project and includes, but is
17 not limited to, the size, type, and design character of the buildings
18 and site; the required form, fit, function, operational requirements,
19 and quality of design, materials, equipment, and workmanship;
20 and any other information deemed necessary to sufficiently
21 describe the State’s state’s needs. *Performance criteria may include*
22 *concept drawings, which include any schematic drawings or*
23 *architectural renderings that are prepared in the detail necessary*
24 *to sufficiently describe the state’s needs.*

25 ~~(7) “Concept drawings” means any schematic drawings or~~
26 ~~architectural renderings that are prepared, in addition to~~
27 ~~performance criteria, in such detail as is necessary to sufficiently~~
28 ~~describe the state’s needs.~~

29 (b) (1) Except as otherwise specified in subparagraphs (A) to
30 (D), inclusive, of paragraph (2) funds appropriated for a
31 design-build project shall not be expended by any ~~State~~ *state*
32 agency, including, but not limited to, the University of California,
33 the California State University, the California Community
34 Colleges, and the Judicial Council, until the Department of Finance
35 and the State Public Works Board have approved performance
36 ~~criteria or performance criteria and concept drawings for the~~
37 ~~project.~~ *criteria.*

38 (2) This section shall not apply to any of the following:

39 (A) Amounts for acquisition of real property, in fee or any lesser
40 interest.

1 (B) Amounts for equipment or minor capital outlay projects.

2 (C) Amounts appropriated for performance ~~criteria and concept~~
3 ~~drawings~~ *criteria*.

4 (D) Amounts appropriated for preliminary plans, if the
5 appropriation was made prior to January 1, 2005.

6 (c) Any appropriated amounts for the design-build phase of a
7 design-build project, where funds have been expended on the
8 design-build phase by any ~~State~~ *state* agency prior to the approval
9 of the performance criteria ~~or the performance criteria and concept~~
10 ~~drawings~~ by the State Public Works Board, and all amounts not
11 approved by the board under this section shall be reverted to the
12 fund from which the appropriation was made. A design-build
13 project for which a capital outlay appropriation is made shall not
14 be put out to design-build solicitation until the bid package has
15 been approved by the Department of Finance. A substantial change
16 shall not be made to the performance criteria ~~or to performance~~
17 ~~criteria and concept drawings~~ as approved by the board and the
18 Department of Finance without written approval by the Department
19 of Finance. The Department of Finance shall approve any proposed
20 bid or proposal alternates set forth in the design-build solicitation
21 package.

22 (d) The State Public Works Board may augment a design-build
23 project in an amount of up to 20 percent of the capital outlay
24 appropriations for the project, irrespective of whether any such
25 appropriation has reverted. For projects authorized through multiple
26 fund sources, including, but not limited to, general obligation bonds
27 and lease-revenue bonds, to the extent permissible, the Department
28 of Finance shall have full authority to determine which of the fund
29 sources will bear all or part of an augmentation. The board shall
30 defer all augmentations in excess of 20 percent of the amount
31 appropriated for each design-build project until the Legislature
32 makes additional funds available for the specific project.

33 (e) In addition to the powers provided by Section 15849.6, the
34 State Public Works Board may further increase the additional
35 amount in Section 15849.6 to include a reasonable construction
36 reserve within the construction fund for any capital outlay project
37 without augmenting the project. The amount of the construction
38 reserve shall be within the 20 percent augmentation limitation.
39 The board may use this amount to augment the project, when and

1 if necessary, after the lease-revenue bonds are sold to ensure
2 completion of the project.

3 (f) Any augmentation in excess of 10 percent of the amounts
4 appropriated for each design-build project shall be reported to the
5 Chairperson of the Joint Legislative Budget Committee, or his or
6 her designee, 20 days prior to board approval, or not sooner than
7 whatever lesser time the chairperson, or his or her designee, may
8 in each instance determine.

9 (g) (1) The Department of Finance may change the
10 administratively or legislatively approved scope for major
11 design-build projects.

12 (2) If the Department of Finance changes the approved scope
13 pursuant to paragraph (1), the department shall report the changes
14 and associated cost implications to the Chairperson of the Joint
15 Legislative Budget Committee, the chairpersons of the respective
16 fiscal committees, and the legislative members of the State Public
17 Works Board 20 days prior to the proposed board action to
18 recognize the scope change.

19 (h) The Department of Finance shall report to the Chairperson
20 of the Joint Legislative Budget Committee, the chairpersons of the
21 respective fiscal committees, and the legislative members of the
22 State Public Works Board 20 days prior to the proposed board
23 approval of performance criteria ~~or performance criteria and~~
24 ~~concept drawings~~ for any project when it is determined that the
25 estimated cost of the total design-build project is in excess of 20
26 percent of the amount recognized by the Legislature.

27 *SEC. 2. Section 15770.5 of the Government Code is repealed.*

28 ~~15770.5. Notwithstanding any other provision of law, the~~
29 ~~Director of Transportation and the Director of General Services~~
30 ~~may appoint a deputy or assistant director in their respective~~
31 ~~departments to act in their place on the board, irrespective of~~
32 ~~whether the deputy or assistant director holds a position specified~~
33 ~~in subdivision (g) of Section 4 of Article VII of the California~~
34 ~~Constitution, and irrespective of whether there is to be more than~~
35 ~~one person representing a director at a meeting of the board. While~~
36 ~~serving on the board, the representative shall have all the powers~~
37 ~~of the director he or she is representing, including the right to be~~
38 ~~counted in a quorum, to participate in the proceedings of the board,~~
39 ~~and to vote on all matters. The director shall be responsible for the~~
40 ~~representative's acts to the same extent that the director is~~

1 responsible for the deputy or assistant director's acts when
2 performing his or her official duties.

3 *SEC. 3. Section 15816 of the Government Code is amended to*
4 *read:*

5 15816. (a) When any public building has been acquired or
6 constructed by the board, and the revenues, rentals, or receipts
7 from the operation of the public building are no longer required
8 or pledged for the payment of principal or interest on any of the
9 certificates or revenue bonds of the board undertaken under this
10 part, ~~the board shall forthwith notify the Department of General~~
11 ~~Services of that fact, and thereafter the public building shall be~~
12 ~~under the jurisdiction of, and operated and maintained by, the~~
13 ~~Department of General Services.~~ *state agency that had jurisdiction*
14 *of the property prior to the board's financing of the public building.*

15 (b) ~~Subdivision (a) shall not apply to any public facility used~~
16 ~~pursuant to Section 15817.1 by, or to any public building~~
17 ~~constructed for lease-purchase, to the Regents of the University~~
18 ~~of California, the Trustees of the California State University, the~~
19 ~~Board of Governors of the California Maritime Academy, or any~~
20 ~~community college district, pursuant to this part. When the~~
21 ~~revenues, rentals, or receipts from the operation of any public~~
22 ~~facility or public building are no longer required or pledged for~~
23 ~~the payment of principal or interest on the certificates or revenue~~
24 ~~bonds of the board, title to the public building shall vest in the~~
25 ~~Regents of the University of California, the Trustees of the~~
26 ~~California State University, the Board of Governors of the~~
27 ~~California Maritime Academy, or the community college district.~~

28 (c)

29 (b) If at any time funds are available by law to retire any
30 certificates or revenue bonds issued to defray the cost of any public
31 building, these funds shall be applied to the redemption of
32 certificates or revenue bonds secured by the rentals and revenues
33 from that public building.

34 *SEC. 4. Section 15817.1 of the Government Code is amended*
35 *to read:*

36 15817.1. (a) Exclusively for the purpose of facilitating the
37 financing of public buildings pursuant to this part through the
38 issuance of revenue bonds, notes, or certificates by the board, and
39 notwithstanding any other law, the board may acquire by lease
40 from any ~~State~~ *state* agency public buildings identified by, and

1 under the jurisdiction or control of, the ~~State~~ *state* agency, and, in
2 that connection, the board may then lease those public buildings
3 back to the ~~State~~ *state* agency and may pledge the revenues, rentals,
4 or receipts to the lease to secure the repayment of revenue bonds,
5 notes, or certificates issued by the board. The board is not required
6 to apply the proceeds of the board's bonds, notes, or certificates
7 to acquire, design, construct, or otherwise improve the same public
8 buildings that are leased pursuant to this section. In each case, the
9 lease shall provide rental provisions, term, payment, security,
10 default, remedy, and other terms or provisions as may be specified
11 in the lease or other agreement or agreements between the board
12 and the ~~State~~ *state* agency and may provide for the substitution of
13 other public buildings for the public buildings initially leased by
14 the board and the ~~State~~ *state* agency pursuant to this section. The
15 public buildings that are leased pursuant to this section may be
16 existing public buildings, as determined by the board and the ~~State~~
17 *state* agency, and which the board and the ~~State~~ *state* agency also
18 determine to have both of the following:

19 (1) A fair rental value that is consistent with the principal
20 amount of the bonds, notes, or certificates of the board authorized
21 to be issued for the purpose of providing the financing of public
22 buildings pursuant to this part.

23 (2) An economic useful life that is not shorter than the final
24 maturity of the bonds, notes, or certificates of the board authorized
25 to be issued for the purpose of providing the financing of public
26 buildings pursuant to this part.

27 (b) These determinations by the board and the ~~State~~ *state* agency
28 pursuant to subdivision (a) shall be final and conclusive.

29 (c) A lease made pursuant to this section does not require the
30 approval of the Director of General Services.

31 (d) The board or a ~~State~~ *state* agency may utilize subdivision
32 (a) in connection with the issuance of any revenue bonds, notes,
33 or certificates previously authorized but not issued, or any revenue
34 bonds, notes, or certificates authorized subsequent to the effective
35 date of the act adding this subdivision.

36 ~~(e) The acquisition by lease authority provided in this section~~
37 ~~shall become inoperative on July 1, 2015, unless a later enacted~~
38 ~~statute, that is enacted before that date, deletes or extends that date.~~
39 ~~Leases made pursuant to this authority prior to July 1, 2015, shall~~
40 ~~continue in full force and effect in accordance with their applicable~~

1 ~~terms. Any acquisitions made and bonds issued pursuant to this~~
2 ~~authority prior to July 1, 2015, shall be deemed binding and valid.~~

3 *(e) On or before June 30, 2017, the Department of Finance*
4 *shall report to the fiscal committees of the Legislature the following*
5 *regarding the removal of the July 1, 2015, inoperative date from*
6 *the asset transfer authority of the board. The report shall include,*
7 *but is not limited to, all of the following:*

8 *(1) The number of times the asset transfer authority has been*
9 *invoked.*

10 *(2) The aggregate amount of financing secured through asset*
11 *transfers.*

12 *(3) An estimate of the financing savings realized through the*
13 *use of asset transfers.*

14 *SEC. 5. Section 15820.903 of the Government Code is amended*
15 *to read:*

16 15820.903. (a) The SPWB may issue up to ~~three hundred~~
17 ~~sixty-five million seven hundred seventy-one thousand dollars~~
18 ~~(\$365,771,000)~~ *three hundred forty million eight hundred sixty-six*
19 *thousand dollars (\$340,866,000)* in revenue bonds, notes, or bond
20 anticipation notes, pursuant to Chapter 5 of Part 10b of Division
21 3 of Title 2 (commencing with Section 15830) to finance the
22 acquisition, design, or construction, and a reasonable construction
23 reserve, of approved local jail facilities described in Section
24 15820.901, and any additional amount authorized under Section
25 15849.6 to pay for the cost of financing.

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

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

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

37 *SEC. 6. Section 15820.913 of the Government Code is amended*
38 *to read:*

39 15820.913. (a) The SPWB may issue up to ~~eight hundred~~
40 ~~fifty-four million two hundred twenty-nine thousand dollars~~

1 (~~\$854,229,000~~) *eight hundred seventy million seventy-four*
2 *thousand dollars (\$870,074,000)* in revenue bonds, notes, or bond
3 anticipation notes, pursuant to Chapter 5 of Part 10b of Division
4 3 of Title 2 (commencing with Section 15830) to finance the
5 acquisition, design, or construction, and a reasonable construction
6 reserve, of approved local jail facilities described in Section
7 15820.911, and any additional amount authorized under Section
8 15849.6 to pay for the cost of financing.

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

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

16 *SEC. 7. Section 15820.922 of the Government Code is amended*
17 *to read:*

18 15820.922. (a) The board may issue up to ~~five hundred million~~
19 ~~dollars (\$500,000,000)~~ *five hundred nine million sixty thousand*
20 *dollars (\$509,060,000)* in revenue bonds, notes, or bond
21 anticipation notes, pursuant to Chapter 5 (commencing with Section
22 15830) to finance the acquisition, design, and construction,
23 including, without limitation, renovation, and a reasonable
24 construction reserve, of approved adult local criminal justice
25 facilities described in Section 15820.92, and any additional amount
26 authorized under Section 15849.6 to pay for the cost of financing.

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

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

35 *SEC. 8. Section 15831 of the Government Code is amended to*
36 *read:*

37 15831. All bonds issued under this part shall bear the facsimile
38 signature of the Governor and the facsimile countersignature of
39 the Controller and the Treasurer, and the bonds shall be signed,
40 countersigned, and endorsed by the officers who shall be in office

1 on the date of issuance thereof, and each of the bonds shall bear
2 an impress of the Great Seal of the State of California. ~~Interest~~
3 ~~coupons attached to each bond shall bear the facsimile signature~~
4 ~~of the Treasurer who shall be in office on the date of the bond to~~
5 ~~which the coupons pertain.~~ The bonds ~~or coupons~~ so signed,
6 countersigned, endorsed, and sealed, when sold, are valid although
7 the sale thereof be made at a date or dates upon which the officers
8 having signed, countersigned, and endorsed the ~~bonds or coupons,~~
9 *bonds*, or any or either of the officers, shall have ceased to be the
10 incumbents of the offices held by them at the time of signing,
11 countersigning, or endorsing the ~~bonds or coupons.~~ *bonds*. Each
12 bond issued under this part, if subject to call or redemption prior
13 to maturity, shall contain a recital to that effect.

14 The rate of interest to be borne by the bonds need not be uniform
15 for all bonds of the same issue or series or ~~division~~ *maturity* and
16 a “not to exceed” interest rate may be determined and fixed by
17 the board by resolution adopted *at prior to* or after the sale of the
18 bonds. ~~The highest bid received on the sale of the bonds shall be~~
19 ~~determined by deducting the total amount of the premium bid (if~~
20 ~~any) from the total amount of interest which the state would be~~
21 ~~required to pay from the date of the bonds or the last preceding~~
22 ~~interest payment date, whichever is latest, to the respective maturity~~
23 ~~dates of the bonds then offered for sale at the coupon rate or rates~~
24 ~~specified in the bid, and the award shall be made on the basis of~~
25 ~~the lowest net interest cost to the state.~~ The Treasurer, when
26 authorized by resolution of the board, may sell bonds *above, below,*
27 *or at less than* their par or face value.

28 *SEC. 9. Section 15832 of the Government Code is amended to*
29 *read:*

30 15832. Upon receipt of a resolution of the board authorizing
31 the issuance of bonds, the Treasurer shall provide for their
32 preparation in accordance with the resolution. The bonds authorized
33 to be issued shall be sold by the Treasurer, at public sale or at
34 private sale, as directed by the board. In the case of public sale,
35 (1) the bonds shall be sold by the Treasurer, at such time as may
36 be fixed by him or her, and upon such notice as he or she may
37 deem advisable, upon ~~sealed bids,~~ *bids submitted to the Treasurer*
38 *in the form and by the means specified by the Treasurer,* to the
39 bidder whose bid will result in the lowest ~~net~~ interest cost on
40 account of such bonds, and (2) if no bids are received, or if the

1 Treasurer determines that the bids are not satisfactory, the Treasurer
2 may reject all bids received, if any, and either readvertise or sell
3 the bonds at private sale. *For purposes of this chapter, the method*
4 *for determining the lowest interest cost bid shall be determined*
5 *by the Treasurer and shall be limited to either the net interest cost*
6 *method or the true interest cost method determined by the bids as*
7 *submitted in accordance with the notice of sale. The net interest*
8 *cost of each bid shall be determined by ascertaining the total*
9 *amount of interest that the state would be required to pay under*
10 *that bid, from the date of the bonds to the respective maturity dates*
11 *of the bonds then offered for sale, at the interest rate or rates*
12 *specified in the bid, less the total amount of the premium, if any,*
13 *or plus the total amount of the discount, if any, offered by the bid.*
14 *The bid under which the amount ascertained is the least shall be*
15 *deemed to be the bid resulting in the lowest net interest cost. Under*
16 *the true interest cost method, the bonds shall be awarded to the*
17 *bidder submitting the lowest interest rate bid determined by the*
18 *nominal interest rate that, when compounded semiannually and*
19 *used to discount the debt service payments on the bonds to the*
20 *date of the bonds, results in an amount equal to the price bid for*
21 *the bonds, excluding interest accrued to the date of delivery.*

22 Temporary or interim bonds, certificates, or receipts of any
23 denomination ~~whatever and with or without coupons attached~~
24 ~~thereto, whatever,~~ to be signed by the Treasurer, may be issued
25 and delivered until the definitive bonds are executed and available
26 for delivery. Signature of the Treasurer may be by signature stamp.

27 *SEC. 10. Section 15848 of the Government Code is amended*
28 *to read:*

29 15848. Notwithstanding Section 13340 or any other provision
30 of law, the amount as may be necessary to pay the rent of any
31 agency occupying space in a facility authorized to be acquired or
32 constructed under the State Building Construction Act of 1955 or
33 a facility leased by a state agency pursuant to a joint powers
34 agreement in accordance with Chapter 5 (commencing with Section
35 6500) of Division 7 of Title 1 is hereby appropriated each fiscal
36 year payable from the fund in the State Treasury from which that
37 agency derives its appropriation for support and shall become
38 available only if the rental payments are due during a period that
39 the state is operating without funds appropriated by the Budget
40 Act for that fiscal year or if the amount required to pay the rental

1 payments has not been included in the Budget Act for that fiscal
 2 year and the Department of Finance certifies to the Controller that
 3 sufficient funds are available for the support of the agency for that
 4 portion of the facility that has been provided for its use and the
 5 facility or portion thereof is available for the use and occupancy
 6 of the agency. This appropriation shall be inoperative as to any
 7 facility ~~that is transferred to the~~ *for which* jurisdiction ~~of the~~
 8 ~~Department of General Services pursuant to subdivision (a) of~~
 9 ~~Section 15816, to any facility transferred to a state agency pursuant~~
 10 ~~to a joint powers agreement, or to any facility the title of which~~
 11 ~~has vested in the Regents of the University of California, the~~
 12 ~~Trustees of the California State University, the Board of Governors~~
 13 ~~of the California Maritime Academy, or any community college~~
 14 ~~district pursuant to subdivision (b) of~~ *has been transferred pursuant*
 15 *to* Section 15816.

16 *SEC. 11. This act is a bill providing for appropriations related*
 17 *to the Budget Bill within the meaning of subdivision (e) of Section*
 18 *12 of Article IV of the California Constitution, has been identified*
 19 *as related to the budget in the Budget Bill, and shall take effect*
 20 *immediately.*

21 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
 22 ~~changes relating to the Budget Act of 2015.~~