

AMENDED IN ASSEMBLY MAY 6, 2015  
AMENDED IN ASSEMBLY MARCH 26, 2015  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 148**

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**Introduced by Assembly Member Holden  
(Principal coauthor: Assembly Member Gray)**

January 15, 2015

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An act to amend Sections 17070.15, 17070.40, 17070.75, 17072.35, 17074.25, 17074.26, 17592.70, and 101012 of, to add Sections 17071.15, 17072.40, and 17073.16 to, to add Part 70 (commencing with Section 101100) to Division 14 of Title 3 of, to add and repeal Section 17254 of, and to repeal Sections 17070.99, 17071.33, 17071.35, and 17071.40 of, the Education Code, relating to school facilities, and by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 148, as amended, Holden. School facilities: K–14 School Investment Bond Act of 2016.

(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.

This 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.

The 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 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 State Allocation Board to provide school districts with flexibility in designing instructional 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 purposes of developing an interagency plan to streamline the school facilities construction application, review, and audit processes in order to reduce the time and improve the efficiency of the school facilities construction process. The bill would require that this interagency plan be submitted to the Legislature on or before July 1, 2017.

(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.

The existing Kindergarten-University Public Education Facilities Bond Act of 2006, among other things, authorized the issuance and sale of bonds in the total amount of \$10,416,000,000. The 2006 bond act specified that \$1,900,000,000 of that total amount was for allocation for new construction of school facilities of applicant school districts, and the 2006 bond act also specified that up to 10.5% of that amount was available for purposes of seismic repair, reconstruction, or replacement.

This bill would enact the K–14 School Investment Bond Act of 2016 to authorize an unspecified amount of state general obligation bonds, as scheduled, to provide aid to school districts, county superintendents of schools, county boards of education, charter schools, and the California Community Colleges to construct and modernize education facilities. The proceeds of these bonds would be deposited in the 2016 State School Facilities Fund, and the 2016 California Community College Capital Outlay Bond Fund, which the bill would establish as specified.

The bill would amend a provision of the Kindergarten-University Public Education Facilities Bond Act of 2006 to require the unencumbered balance of the amount available for purposes of seismic repair, reconstruction, or replacement to be transferred to the 2016 State School Facilities Fund for allocation under the K–14 School Investment Bond Act of 2016, as specified.

The proposed 2016 bond act, and the proposed amendment to the 2006 bond act, would become operative only if approved by the voters at an unspecified 2016 statewide election. The bill would provide for the submission of these provisions to the voters at that election.

(3) This bill would specify that certain of its provisions would become operative only if the K–14 School Investment Bond Act of 2016 is approved by the voters at an unspecified 2016 statewide election.

(4) This bill would make conforming and nonsubstantive changes in related provisions of existing law.

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

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

1 SECTION 1. (a) The Legislature finds and declares all of the  
2 following:

1 (1) The State Department of Education has estimated that 71  
2 percent of the classrooms in California are more than 25 years old,  
3 about 30 percent of the classrooms are at least 50 years old, and  
4 about 10 percent of the classrooms are at least 70 years old. About  
5 25 percent of the classrooms are in temporary portable buildings.

6 (2) The State of California has failed to adequately invest in  
7 school facilities, resulting in an unmet, and growing, funding need  
8 that, as of March 2015, is at least \$1.1 billion.

9 (3) In a study conducted by the University of California,  
10 Berkeley, in 2012, it was estimated that California schools needed  
11 an infusion of approximately \$117 billion through 2022, with close  
12 to one-half of that funding needed to replace or repair existing  
13 buildings.

14 (4) A growing body of research on school building conditions  
15 and pupil outcomes finds a consistent relationship between poor  
16 facilities and poor performance by pupils. School facilities that  
17 are clean, in good repair, and designed to support high academic  
18 standards are more likely to support higher pupil achievement,  
19 regardless of pupil socioeconomic status.

20 (5) Studies show that 13,000 jobs are created for each \$1 billion  
21 of state infrastructure investment. These investments are needed  
22 to improve learning conditions for our pupils and improve teaching  
23 conditions in our classrooms.

24 (6) Closing the disparity gap in school building quality is an  
25 integral part of closing the achievement gap.

26 (b) Therefore, it is the intent of the Legislature to place the K–14  
27 School Investment Bond Act of 2016 on the ballot. The voters’  
28 approval of this proposed measure would prioritize investment  
29 partnerships with local school districts to upgrade aging facilities  
30 to meet current health and safety standards, including retrofitting  
31 for earthquake safety and removing of lead paint, asbestos, and  
32 other hazardous materials, and to reduce overcrowding.

33 SEC. 2. Section 17070.15 of the Education Code is amended  
34 to read:

35 17070.15. The following terms, wherever used or referred to  
36 in this chapter, shall have the following meanings, respectively,  
37 unless a different meaning appears from the context:

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

1 (b) “Attendance area” means the geographical area serving an  
2 existing high school and those junior high schools and elementary  
3 schools included therein.

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

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

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

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

11 (g) “Fund” means the applicable 1998 State School Facilities  
12 Fund, the 2002 State School Facilities Fund, the 2004 State School  
13 Facilities Fund, the 2006 State School Facilities Fund, or the 2016  
14 State School Facilities Fund, established pursuant to Section  
15 17070.40.

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

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

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

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

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

34 (m) “School district” means a school district or a county office  
35 of education. For purposes of determining eligibility under this  
36 chapter, “school district” may also mean a high school attendance  
37 area.

38 SEC. 3. Section 17070.40 of the Education Code is amended  
39 to read:

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

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

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

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

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

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

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

35 (4) The board may make disbursements pursuant to any  
36 apportionment made from any funds in the 2002 State School  
37 Facilities Fund, irrespective of whether there exists at the time of  
38 the disbursement an amount in the 2002 State School Facilities  
39 Fund sufficient to permit payment in full of all apportionments

1 previously made. However, no disbursement shall be made from  
2 any funds required by law to be transferred to the General Fund.

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

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

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

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

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

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

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

36 (4) The board may make disbursements pursuant to any  
37 apportionment made from any funds in the 2006 State School  
38 Facilities Fund, irrespective of whether there exists at the time of  
39 the disbursement an amount in the 2006 State School Facilities  
40 Fund sufficient to permit payment in full of all apportionments

1 previously made. However, no disbursement shall be made from  
2 any funds required by law to be transferred to the General Fund.

3 (e) (1) A fund is hereby established in the State Treasury, to  
4 be known as the 2016 State School Facilities Fund. All money in  
5 the fund, including any money deposited in that fund from any  
6 source whatsoever, and notwithstanding Section 13340 of the  
7 Government Code, is hereby continuously appropriated without  
8 regard to fiscal years for expenditure pursuant to this chapter.

9 (2) The board may apportion funds to school districts for the  
10 purposes of this chapter from funds transferred to the 2016 State  
11 School Facilities Fund from any source.

12 (3) The board may make apportionments in amounts not  
13 exceeding those funds on deposit in the 2016 State School Facilities  
14 Fund, and any amount of bonds authorized by the committee, but  
15 not yet sold by the Treasurer.

16 (4) The board may make disbursements pursuant to any  
17 apportionment made from any funds in the 2016 State School  
18 Facilities Fund, irrespective of whether there exists at the time of  
19 the disbursement an amount in the 2016 State School Facilities  
20 Fund sufficient to permit payment in full of all apportionments  
21 previously made. However, no disbursement shall be made from  
22 any funds required by law to be transferred to the General Fund.

23 SEC. 4. Section 17070.75 of the Education Code is amended  
24 to read:

25 17070.75. (a) As a condition of participation in the school  
26 facilities program, the board shall require the school district to  
27 make all necessary repairs, renewals, and replacements to ensure  
28 that a project is at all times maintained in good repair, working  
29 order, and condition. All costs incurred for this purpose shall be  
30 borne by the school district.

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

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



1 (2) (A) Agree to deposit into the account established pursuant  
2 to paragraph (1), in each fiscal year for 20 years after receipt of  
3 funds under this chapter, a minimum amount equal to or greater  
4 than 2 percent of the total general fund expenditures of the  
5 applicant school district, including other financing uses, for that  
6 fiscal year.

7 (B) A school district contribution to the account may be provided  
8 in lieu of meeting the ongoing maintenance requirements pursuant  
9 to Section 17014 to the extent the funds are used for purposes  
10 established in that section. A school district that serves as the  
11 administrative unit for a special education local plan area may  
12 elect to exclude from its total general fund expenditures, for  
13 purposes of this paragraph, the distribution of revenues that are  
14 passed through to participating members of the special education  
15 local plan area.

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

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

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

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

23 (3) Certify that it has publicly approved an ongoing and major  
24 maintenance plan that outlines the use of the funds deposited, or  
25 to be deposited, pursuant to paragraph (2). The plan may provide  
26 that the school district need not expend all of its annual allocation  
27 for ongoing and major maintenance in the year in which it is  
28 deposited if the cost of major maintenance requires that the  
29 allocation be carried over into another fiscal year. However, any  
30 state funds carried over into a subsequent year may not be counted  
31 toward the annual minimum contribution by the school district.

32 (c) For purposes of calculating a county office of education  
33 requirement pursuant to this section, the 2 percent maintenance  
34 requirement shall be based upon the county office of education  
35 general fund less any restricted accounts.

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

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

3 SEC. 5. Section 17070.99 of the Education Code is repealed.

4 SEC. 6. Section 17071.15 is added to the Education Code, to  
5 read:

6 17071.15. Notwithstanding Section 17071.10, the board shall  
7 require a school district that elects to participate in the new  
8 construction program to conduct an inventory of existing facilities  
9 and submit this information to the board, as prescribed by the  
10 board, for purposes of maintaining a statewide school facilities  
11 inventory.

12 SEC. 7. Section 17071.33 of the Education Code is repealed.

13 SEC. 8. Section 17071.35 of the Education Code is repealed.

14 SEC. 9. Section 17071.40 of the Education Code is repealed.

15 SEC. 10. Section 17072.35 of the Education Code is amended  
16 to read:

17 17072.35. (a) (1) A grant for new construction may be used  
18 for any and all costs necessary to adequately house new pupils in  
19 any approved project, and those costs may only include the cost  
20 of design, engineering, testing, inspection, plan checking,  
21 construction management, site acquisition and development,  
22 evaluation and response action costs relating to hazardous  
23 substances at a new or existing schoolsite, demolition, construction,  
24 acquisition and installation of portable classrooms, landscaping,  
25 necessary utility costs, utility connections and other fees, equipment  
26 including telecommunication equipment to increase school security,  
27 furnishings, and the upgrading of electrical systems or the wiring  
28 or cabling of classrooms in order to accommodate educational  
29 technology. A grant for new construction may also be used to  
30 acquire an existing government or privately owned building, or a  
31 privately financed school building, and for the necessary costs of  
32 converting the government or privately owned building for public  
33 school use.

34 (2) A grant for new construction may also be used for either or  
35 both of the following purposes:

36 (A) The cost of designs and materials that promote the efficient  
37 use of energy and water, the maximum use of natural lighting and  
38 indoor air quality, the use of recycled materials and materials that  
39 emit a minimum of toxic substances, the use of acoustics conducive

1 to teaching and learning, and other characteristics of  
2 high-performance schools.

3 (B) Seismic mitigation purposes and related design, study, and  
4 testing costs.

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

8 SEC. 11. Section 17072.40 is added to the Education Code, to  
9 read:

10 17072.40. The Office of Public School Construction, in  
11 consultation with the State Department of Education, shall  
12 recommend to the board regulations that will provide school  
13 districts with flexibility in designing instructional facilities. These  
14 recommendations shall propose revisions to any regulations that  
15 limit the ability of school districts to use new construction grants  
16 to construct instructional space approved by the State Department  
17 of Education. The proposed revisions shall ensure that a school  
18 district has the ability to design a facility that provides a flexible  
19 learning environment, provides for the integration and use of  
20 technology, and serves as an instructional space and learning  
21 environment that supports and enhances the educational delivery  
22 process.

23 SEC. 12. Section 17073.16 is added to the Education Code, to  
24 read:

25 17073.16. The board shall require a school district that elects  
26 to participate in the modernization program to conduct an inventory  
27 of existing facilities and submit this information to the board, as  
28 prescribed by the board, for purposes of maintaining a statewide  
29 school facilities inventory.

30 SEC. 13. Section 17074.25 of the Education Code is amended  
31 to read:

32 17074.25. (a) (1) A modernization apportionment may be  
33 used for an improvement to extend the useful life of, or to enhance  
34 the physical environment of, the school. The improvement may  
35 only include the cost of design, engineering, testing, inspection,  
36 plan checking, construction management, demolition, construction,  
37 the replacement of portable classrooms, necessary utility costs,  
38 utility connection and other fees, the purchase and installation of  
39 air-conditioning equipment and insulation materials and related  
40 costs, furniture and equipment, including telecommunication

1 equipment to increase school security, fire safety improvements,  
2 playground safety improvements, the identification, assessment,  
3 or abatement of hazardous asbestos, seismic safety improvements,  
4 and the upgrading of electrical systems or the wiring or cabling of  
5 classrooms in order to accommodate educational technology. A  
6 modernization grant may not be used for costs associated with  
7 acquisition and development of real property or for routine  
8 maintenance and repair.

9 (2) A modernization apportionment may also be used for either  
10 of the following:

11 (A) The cost of designs and materials that promote the efficient  
12 use of energy and water, the maximum use of natural lighting and  
13 indoor air quality, the use of recycled materials and materials that  
14 emit a minimum of toxic substances, the use of acoustics conducive  
15 to teaching and learning, and other characteristics of  
16 high-performance schools.

17 (B) Seismic mitigation purposes and related design, study, and  
18 testing costs.

19 (b) In the development of guidelines and regulations, the board  
20 shall provide a school district with maximum flexibility in the  
21 design and modernization of school facilities.

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

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

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

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

35 17074.26. The board shall adopt regulations to adjust the  
36 per-pupil amounts set forth in Section 17074.10 for modernization  
37 projects for school buildings that are 50 years old or older based  
38 upon the higher costs associated with modernizing older buildings.

39 SEC. 15. Section 17254 is added to the Education Code, to  
40 read:

1 17254. (a) The State Department of Education, the Division  
2 of the State Architect, the Office of Public School Construction,  
3 and the Department of Toxic Substances Control shall convene  
4 for purposes of developing an interagency plan to streamline the  
5 school facility construction application, review, and audit processes  
6 in order to reduce the time and improve the efficiency of the school  
7 facilities construction process.

8 (b) The interagency plan developed pursuant to subdivision (a)  
9 shall be submitted to the Legislature, in accordance with Section  
10 9795 of the Government Code, on or before July 1, 2017.

11 (c) It is the intent of the Legislature that operative regulatory  
12 language adopted by the State Allocation Board before the effective  
13 date of this section be reviewed and revised before July 1, 2016,  
14 to ensure that the School Facility Program is being implemented  
15 in a manner that reduces duplicative processes for the review,  
16 approval, and audit of school facility new construction and  
17 modernization projects.

18 (d) This section shall remain in effect only until July 1, 2021,  
19 and as of that date is repealed, unless a later enacted statute, that  
20 is enacted before July 1, 2021, deletes or extends that date.

21 SEC. 16. Section 17592.70 of the Education Code is amended  
22 to read:

23 17592.70. (a) There is hereby established the School Facilities  
24 Needs Assessment Grant Program with the purpose to provide for  
25 a one-time comprehensive assessment of school facility needs.  
26 The grant program shall be administered by the State Allocation  
27 Board.

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

33 (2) For purposes of this section, schools ranked in deciles 1 to  
34 3, inclusive, on the 2003 base API shall include any schools  
35 determined by the department to meet either of the following:

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

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

38 (ii) Is operating in the 2004–05 fiscal year, and was operating  
39 in the 2003–04 fiscal year during the Standardized Testing and  
40 Reporting (STAR) Program testing period.

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

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

5 (3) The department shall estimate an API score for any school  
6 meeting the criteria of clauses (i) and (ii) of subparagraph (A) of  
7 paragraph (2) and not meeting the criteria of clause (iii) of  
8 subparagraph (A) of paragraph (2), using available testing scores  
9 and any weighting or corrective factors it deems appropriate. The  
10 department shall provide those API scores to the Office of Public  
11 School Construction and post them on its Internet Web site within  
12 30 days of the enactment of this section.

13 (4) For purposes of this section, schools ranked in deciles 1 to  
14 3, inclusive, on the 2003 base API shall exclude any schools  
15 determined by the department to be operated by county offices of  
16 education pursuant to Section 56140.

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

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

24 (1) Use the funds to develop a comprehensive needs assessment  
25 of all schoolsites eligible for grants pursuant to subdivision (b).  
26 The assessment shall contain, at a minimum, all of the following  
27 information for each schoolsite:

28 (A) The year each building that is currently used for instructional  
29 purposes was constructed.

30 (B) The year, if any, each building that is currently used for  
31 instructional purposes was last modernized.

32 (C) The pupil capacity of the school.

33 (D) The number of pupils enrolled in the school.

34 (E) The density of the school campus measured in pupils per  
35 acre.

36 (F) The total number of classrooms at the school.

37 (G) The age and number of portable classrooms at the school.

38 (H) Whether the school is operating on a multitrack, year-round  
39 calendar, and, if so, what type.

1 (I) Whether the school has a cafeteria, or an auditorium or other  
2 space used for pupil eating and not for class instruction.

3 (J) The useful life remaining of all major building systems for  
4 each structure housing instructional space, including, but not  
5 limited to, sewer, water, gas, electrical, roofing, and fire and life  
6 safety protection.

7 (K) The estimated costs for five years necessary to maintain  
8 functionality of each instructional space to maintain health, safety,  
9 and a suitable learning environment, as applicable, including  
10 classroom, counseling areas, administrative space, libraries,  
11 gymnasiums, multipurpose and dining space, and the accessibility  
12 to those spaces.

13 (L) A list of necessary repairs.

14 (2) Use the data currently filed with the state as part of the  
15 process of applying for and obtaining modernization or construction  
16 funds for school facilities, or information that is available in the  
17 California Basic Education Data System for the element required  
18 in subparagraphs (D), (E), (F), and (G) of paragraph (1).

19 (3) Use the assessment as the baseline for the facilities inspection  
20 system required pursuant to subdivision (d) of Section 17070.75.

21 (4) Provide the results of the assessment to the Office of Public  
22 School Construction, including a report on the expenditures made  
23 in performing the assessment. It is the intent of the Legislature  
24 that the assessments be completed as soon as possible, but not later  
25 than January 1, 2006.

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

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

35 SEC. 17. Section 101012 of the Education Code is amended  
36 to read:

37 101012. (a) The proceeds from the sale of bonds, issued and  
38 sold for the purposes of this chapter, shall be allocated in  
39 accordance with the following schedule:

1 (1) The amount of one billion nine hundred million dollars  
2 (\$1,900,000,000) for new construction of school facilities of  
3 applicant school districts under Chapter 12.5 (commencing with  
4 Section 17070.10) of Part 10 of Division 1 of Title 1. Of the  
5 amount allocated under this paragraph, up to 10.5 percent shall be  
6 available for purposes of seismic repair, reconstruction, or  
7 replacement, pursuant to Section 17075.10. The unencumbered  
8 balance of the amount available for purposes of seismic repair,  
9 reconstruction, or replacement under this paragraph shall be  
10 transferred to the 2016 State School Facilities Fund for allocation  
11 pursuant to Part 70 (commencing with Section 101100) on the date  
12 that Part 70 (commencing with Section 101100) becomes operative.

13 (2) The amount of five hundred million dollars (\$500,000,000)  
14 shall be available for providing school facilities to charter schools  
15 pursuant to Article 12 (commencing with Section 17078.52) of  
16 Chapter 12.5 of Part 10 of Division 1 of Title 1.

17 (3) The amount of three billion three hundred million dollars  
18 (\$3,300,000,000) for the modernization of school facilities pursuant  
19 to Chapter 12.5 (commencing with Section 17070.10) of Part 10  
20 of Division 1 of Title 1.

21 (4) (A) The amount of five hundred million dollars  
22 (\$500,000,000) for the purposes set forth in Article 13  
23 (commencing with Section 17078.70) of Chapter 12.5 of Part 10  
24 of Division 1 of Title 1, relating to facilities for career technical  
25 education programs.

26 (B) Of the amount not yet approved for allocation by the State  
27 Allocation Board pursuant to this paragraph by January 1, 2015,  
28 50 percent shall be available for the purpose of paragraph (1), and  
29 50 percent shall be available for purposes of paragraph (3). If an  
30 apportionment or State Allocation Board approval pursuant to this  
31 paragraph is rescinded after January 1, 2015, the rescinded amount  
32 shall be available for the purposes of paragraphs (1) and (3). The  
33 State Allocation Board shall determine the percentage of the  
34 rescinded amount to be used for purposes of paragraph (1) and the  
35 percentage of the rescinded amount to be used for purposes of  
36 paragraph (3).

37 (5) Of the amounts allocated under paragraphs (1) and (3), up  
38 to two hundred million dollars (\$200,000,000) for the purposes  
39 set forth in Chapter 894 of the Statutes of 2004, relating to



1 incentives for the creation of smaller learning communities and  
2 small high schools.

3 (6) The amount of twenty-nine million dollars (\$29,000,000)  
4 for the purposes set forth in Article 10.6 (commencing with Section  
5 17077.40) of Chapter 12.5 of Part 10 of Division 1 of Title 1,  
6 relating to joint use projects.

7 (7) The amount of one billion dollars (\$1,000,000,000) shall be  
8 available for providing new construction funding to severely  
9 overcrowded schoolsites pursuant to Article 14 (commencing with  
10 Section 17079) of Chapter 12.5 of Part 10 of Division 1 of Title  
11 1.

12 (8) (A) The amount of one hundred million dollars  
13 (\$100,000,000) for incentive grants to promote the use of designs  
14 and materials in new construction and modernization projects that  
15 include the attributes of high-performance schools, including, but  
16 not limited to, the elements set forth in Section 17070.96, pursuant  
17 to regulations adopted by the State Allocation Board.

18 (B) Of the amount not yet approved for allocation by the State  
19 Allocation Board pursuant to this paragraph by January 1, 2015,  
20 50 percent shall be available for purposes of paragraph (1), and  
21 50 percent shall be available for purposes of paragraph (3). If an  
22 apportionment or State Allocation Board approval pursuant to this  
23 paragraph is rescinded on or after January 1, 2015, the rescinded  
24 amount shall be available for purposes of paragraphs (1) and (3).  
25 The State Allocation Board shall determine the percentage of the  
26 rescinded amount to be used for purposes of paragraph (1) and the  
27 percentage of the rescinded amount to be used for purposes of  
28 paragraph (3).

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

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

35 (2) Construction projects or the purchase of furniture or  
36 equipment designed to increase school security or playground  
37 safety.

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

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

1 (5) Any other modernization of facilities pursuant to Chapter  
2 12.5 (commencing with Section 17070.10) of Part 10 of Division  
3 1 of Title 1.

4 (c) Funds allocated pursuant to paragraph (1) of subdivision (a)  
5 may also be used to provide new construction grants for eligible  
6 applicant county boards of education under Chapter 12.5  
7 (commencing with Section 17070.10) of Part 10 of Division 1 of  
8 Title 1 for funding classrooms for severely handicapped pupils,  
9 or for funding classrooms for county community school pupils.

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

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

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

19 (2) Amendments pursuant to this subdivision may adjust the  
20 amounts to be expended pursuant to paragraphs (1) to (8), inclusive,  
21 of subdivision (a), but may not increase or decrease the total  
22 amount to be expended pursuant to that subdivision.

23 (e) Funds available pursuant to this section may be used for  
24 acquisition of school facilities authorized pursuant to Section  
25 17280.5.

26 SEC. 18. Part 70 (commencing with Section 101100) is added  
27 to Division 14 of Title 3 of the Education Code, to read:

28  
29 PART 70. K-14 SCHOOL INVESTMENT BOND ACT OF 2016  
30

31 CHAPTER 1. GENERAL

32  
33 101100. This part shall be known, and may be cited, as the  
34 K-14 School Investment Bond Act of 2016.

35 101101. The incorporation of, or reference to, any provision  
36 of California statutory law in this part includes all acts amendatory  
37 thereof and supplementary thereto.

38 101102. (a) Bonds in the total amount of \_\_\_\_ dollars (\$\_\_\_\_),  
39 not including the amount of any refunding bonds issued in  
40 accordance with Sections ~~101130, 101139, and 101159~~, *101130*

1 *and 101139*, or so much thereof as is necessary, may be issued  
2 and sold to provide a fund to be used for carrying out the purposes  
3 expressed in this part and to reimburse the General Obligation  
4 Bond Expense Revolving Fund pursuant to Section 16724.5 of the  
5 Government Code. The bonds, when sold, shall be and constitute  
6 a valid and binding obligation of the State of California, and the  
7 full faith and credit of the State of California is hereby pledged  
8 for the punctual payment of the principal of, and interest on, the  
9 bonds as the principal and interest become due and payable.

10 (b) Pursuant to this section, the Treasurer shall sell the bonds  
11 authorized by the State School Building Finance Committee  
12 established by Section 15909 or the Higher Education Facilities  
13 Finance Committee established pursuant to Section 67353, as the  
14 case may be, at any different times necessary to service  
15 expenditures required by the apportionments.

16  
17 CHAPTER 2. KINDERGARTEN THROUGH GRADE 12

18  
19 Article 1. Kindergarten Through Grade 12 School Facilities  
20 Program Provisions

21  
22 101110. The proceeds of bonds issued and sold pursuant to  
23 Article 2 (commencing with Section 101120) shall be deposited  
24 in the 2016 State School Facilities Fund established in the State  
25 Treasury under subdivision (e) of Section 17070.40, and shall be  
26 allocated by the State Allocation Board pursuant to this chapter.

27 101111. All moneys deposited in the 2016 State School  
28 Facilities Fund for the purposes of this chapter shall be available  
29 to provide aid to school districts, county superintendents of schools,  
30 and county boards of education of the state in accordance with the  
31 Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5  
32 (commencing with Section 17070.10) of Part 10 of Division 1 of  
33 Title 1), as set forth in Section 101112, to provide funds to repay  
34 any money advanced or loaned to the 2016 State School Facilities  
35 Fund under any act of the Legislature, together with interest  
36 provided for in that act, and to reimburse the General Obligation  
37 Bond Expense Revolving Fund pursuant to Section 16724.5 of the  
38 Government Code.

1 101112. (a) The proceeds from the sale of bonds, issued and  
2 sold for the purposes of this chapter, shall be allocated in  
3 accordance with the following schedule:

4 (1) The amount of \_\_\_\_ dollars (\$\_\_\_\_) for new construction  
5 of school facilities of applicant school districts under Chapter 12.5  
6 (commencing with Section 17070.10) of Part 10 of Division 1 of  
7 Title 1.

8 (2) The amount of \_\_\_\_ dollars (\$\_\_\_\_) for the modernization  
9 of school facilities pursuant to Chapter 12.5 (commencing with  
10 Section 17070.10) of Part 10 of Division 1 of Title 1.

11 (3) Of the amount allocated in this subdivision, up to 5 percent  
12 shall be available for providing facilities to charter schools pursuant  
13 to Article 12 (commencing with Section 17078.52) of Chapter  
14 12.5 of Part 10 of Division 1 of Title 1.

15 (b) School districts may use funds allocated pursuant to  
16 paragraph (2) of subdivision (a) only for one or more of the  
17 following purposes in accordance with Chapter 12.5 (commencing  
18 with Section 17070.10) of Part 10 of Division 1 of Title 1:

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

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

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

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

27 (5) Any other modernization of facilities pursuant to Chapter  
28 12.5 (commencing with Section 17070.10) of Part 10 of Division  
29 1 of Title 1.

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

36 101113. (a) The board shall assign the highest priority for  
37 funding under this chapter to applicant school districts whose  
38 projects to be funded are emergency facility needs as defined in  
39 subdivision (c) of Section 17592.72.

1 (b) The board shall assign priority for funding under this chapter  
 2 *may provide a one-time supplemental grant pursuant to regulations*  
 3 *adopted by the board* to applicant school districts that demonstrate  
 4 participation in a community-based effort to coordinate educational,  
 5 developmental, family, health, and other comprehensive services  
 6 by engaging in public and private partnerships with local public  
 7 entities and other nonprofit or private community partners. Criteria  
 8 that demonstrate this participation shall include all of the following:

9 (1) Institutionalized structures for cross-agency collaboration,  
 10 including, but not limited to, memoranda of understanding to  
 11 coordinate activities and services.

12 (2) Agreements for joint use and operations of school facilities  
 13 that provide for extended hours of use for pupils, families, and the  
 14 community, integration of libraries, early childhood education,  
 15 child care centers, senior centers, outdoor recreation or  
 16 environmental education, arts education, and career technical  
 17 education and adult education offerings for pupils and community  
 18 members.

19 (3) Participation in the State Community Schools Network.

20 (4) Participation in technical assistance and training, including  
 21 professional development, for full-service community schools.

22 (5) Certification that the district’s school facilities master plan  
 23 is consistent with the regional sustainable communities strategy  
 24 established pursuant to Section 65080 of the Government Code.

25  
 26 Article 2. Kindergarten Through Grade 12 School Facilities  
 27 Fiscal Provisions  
 28

29 101120. (a) Of the total amount of bonds authorized to be  
 30 issued and sold pursuant to Chapter 1 (commencing with Section  
 31 101100), bonds in the amount of \_\_\_\_ dollars (\$\_\_\_\_), not  
 32 including the amount of any refunding bonds issued in accordance  
 33 with Section 101130, or so much thereof as is necessary, may be  
 34 issued and sold to provide a fund to be used for carrying out the  
 35 purposes expressed in this chapter and to reimburse the General  
 36 Obligation Bond Expense Revolving Fund pursuant to Section  
 37 16724.5 of the Government Code. The bonds, when sold, shall be  
 38 and constitute a valid and binding obligation of the State of  
 39 California, and the full faith and credit of the State of California  
 40 is hereby pledged for the punctual payment of the principal of, and

1 interest on, the bonds as the principal and interest become due and  
2 payable.

3 (b) Pursuant to this section, the Treasurer shall sell the bonds  
4 authorized by the State School Building Finance Committee  
5 established pursuant to Section 15909 at any different times  
6 necessary to service expenditures required by the apportionments.

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

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

36 (b) For purposes of the State General Obligation Bond Law, the  
37 State Allocation Board is designated the “board” for purposes of  
38 administering the 2016 State School Facilities Fund.

39 101123. (a) Upon request of the State Allocation Board, the  
40 State School Building Finance Committee shall determine whether

1 or not it is necessary or desirable to issue bonds authorized pursuant  
2 to this chapter in order to fund the apportionments and, if so, the  
3 amount of bonds to be issued and sold. Successive issues of bonds  
4 may be authorized and sold to fund those apportionments  
5 progressively, and it is not necessary that all of the bonds  
6 authorized to be issued be sold at any one time.

7 (b) It is the intent of the Legislature that the State School  
8 Building Finance Committee consider a pay-as-you-go model of  
9 financing that increases actual money for construction by issuing  
10 short-term debt with faster repayment plans to lessen the amount  
11 of state funds spent on interest and reduce overall state debt.

12 (c) A request of the State Allocation Board pursuant to  
13 subdivision (a) shall be supported by a statement of the  
14 apportionments made and to be made for the purposes described  
15 in Sections 101111 and 101112.

16 101124. There shall be collected each year and in the same  
17 manner and at the same time as other state revenue is collected,  
18 in addition to the ordinary revenues of the state, a sum in an amount  
19 required to pay the principal of, and interest on, the bonds each  
20 year. It is the duty of all officers charged by law with any duty in  
21 regard to the collection of the revenue to do and perform each and  
22 every act that is necessary to collect that additional sum.

23 101125. Notwithstanding Section 13340 of the Government  
24 Code, there is hereby appropriated from the General Fund in the  
25 State Treasury, for the purposes of this chapter, an amount that  
26 will equal the total of the following:

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

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

32 101126. The State Allocation Board may request the Pooled  
33 Money Investment Board to make a loan from the Pooled Money  
34 Investment Account or any other approved form of interim  
35 financing, in accordance with Section 16312 of the Government  
36 Code, for the purpose of carrying out this chapter. The amount of  
37 the request shall not exceed the amount of the unsold bonds that  
38 the committee, by resolution, has authorized to be sold for the  
39 purpose of carrying out this chapter. The board shall execute any  
40 documents required by the Pooled Money Investment Board to

1 obtain and repay the loan. Any amounts loaned shall be deposited  
2 in the fund to be allocated by the board in accordance with this  
3 chapter.

4 101127. Notwithstanding any other provision of this chapter,  
5 or of the State General Obligation Bond Law, if the Treasurer sells  
6 bonds pursuant to this chapter that include a bond counsel opinion  
7 to the effect that the interest on the bonds is excluded from gross  
8 income for federal tax purposes, subject to designated conditions,  
9 the Treasurer may maintain separate accounts for the investment  
10 of bond proceeds and for the investment earnings on those  
11 proceeds. The Treasurer may use or direct the use of those proceeds  
12 or earnings to pay any rebate, penalty, or other payment required  
13 under federal law or take any other action with respect to the  
14 investment and use of those bond proceeds required or desirable  
15 under federal law to maintain the tax-exempt status of those bonds  
16 and to obtain any other advantage under federal law on behalf of  
17 the funds of this state.

18 101128. For purposes of carrying out this chapter, the Director  
19 of Finance may authorize the withdrawal from the General Fund  
20 of an amount not to exceed the amount of the unsold bonds that  
21 have been authorized by the State School Building Finance  
22 Committee to be sold for the purpose of carrying out this chapter.  
23 Any amounts withdrawn shall be deposited in the 2016 State  
24 School Facilities Fund consistent with this chapter. Any money  
25 made available under this section shall be returned to the General  
26 Fund, plus an amount equal to the interest that the money would  
27 have earned in the Pooled Money Investment Account, from  
28 proceeds received from the sale of bonds for the purpose of  
29 carrying out this chapter.

30 101129. All money deposited in the 2016 State School Facilities  
31 Fund that is derived from premium and accrued interest on bonds  
32 sold shall be reserved in the fund, and shall be available for transfer  
33 to the General Fund as a credit to expenditures for bond interest.

34 101130. The bonds may be refunded in accordance with Article  
35 6 (commencing with Section 16780) of Chapter 4 of Part 3 of  
36 Division 4 of Title 2 of the Government Code, which is a part of  
37 the State General Obligation Bond Law. Approval by the voters  
38 of the state for the issuance of the bonds described in this chapter  
39 includes the approval of the issuance of any bonds issued to refund



1 any bonds originally issued under this chapter or any previously  
2 issued refunding bonds.

3 101131. The Legislature hereby finds and declares that,  
4 inasmuch as the proceeds from the sale of bonds authorized by  
5 this chapter are not “proceeds of taxes” as that term is used in  
6 Article XIII B of the California Constitution, the disbursement of  
7 these proceeds is not subject to the limitations imposed by that  
8 article.

9

10 CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES

11

12 Article 1. General

13

14 101132. (a) The 2016 California Community College Capital  
15 Outlay Bond Fund is hereby established in the State Treasury for  
16 deposit of funds from the proceeds of bonds issued and sold for  
17 the purposes of this chapter.

18 (b) The Higher Education Facilities Finance Committee  
19 established pursuant to Section 67353 is hereby authorized to create  
20 a debt or debts, liability or liabilities, of the State of California  
21 pursuant to this chapter for the purpose of providing funds to aid  
22 the California Community Colleges.

23

24 Article 2. California Community College Facilities Program  
25 Provisions

26

27 101133. (a) From the proceeds of bonds issued and sold  
28 pursuant to Article 3 (commencing with Section 101134), the sum  
29 of \_\_\_\_ dollars (\$\_\_\_\_) shall be deposited in the 2016 California  
30 Community College Capital Outlay Bond Fund for the purposes  
31 of this article. When appropriated, these funds shall be available  
32 for expenditure for the purposes of this article.

33 (b) The purposes of this article include assisting in meeting the  
34 capital outlay financing needs of the California Community  
35 Colleges.

36 (c) Proceeds from the sale of bonds issued and sold for the  
37 purposes of this article may be used to fund construction on  
38 existing campuses, including the construction of buildings and the  
39 acquisition of related fixtures, construction of facilities that may  
40 be used by more than one segment of public higher education

1 (intersegmental), the renovation and reconstruction of facilities,  
 2 site acquisition, the equipping of new, renovated, or reconstructed  
 3 facilities, which equipment shall have an average useful life of 10  
 4 years; and to provide funds for the payment of preconstruction  
 5 costs, including, but not limited to, preliminary plans and working  
 6 drawings for facilities of the California Community Colleges.

7

8 Article 3. California Community College Facilities Fiscal  
 9 Provisions

10

11 101134. (a) Of the total amount of bonds authorized to be  
 12 issued and sold pursuant to Chapter 1 (commencing with Section  
 13 101100), bonds in the total amount of \_\_\_\_ dollars (\$\_\_\_\_), not  
 14 including the amount of any refunding bonds issued in accordance  
 15 with Section 101139, or so much thereof as is necessary, may be  
 16 issued and sold to provide a fund to be used for carrying out the  
 17 purposes expressed in this chapter and to reimburse the General  
 18 Obligation Bond Expense Revolving Fund pursuant to Section  
 19 16724.5 of the Government Code. The bonds, when sold, shall be  
 20 and constitute a valid and binding obligation of the State of  
 21 California, and the full faith and credit of the State of California  
 22 is hereby pledged for the punctual payment of the principal of, and  
 23 interest on, the bonds as the principal and interest become due and  
 24 payable.

25

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

33

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.

37

38 101134.5. (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  
 with Section 16720) of Part 3 of Division 4 of Title 2 of the

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

6 (b) For purposes of the State General Obligation Bond Law,  
7 each state agency administering an appropriation of the 2016  
8 California Community College Capital Outlay Bond Fund is  
9 designated as the “board” for projects funded pursuant to this  
10 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 California Community Colleges for the construction on existing  
14 or new campuses, and their respective off-campus centers and joint  
15 use and intersegmental facilities, as set forth in this chapter.

16 101135. The Higher Education Facilities Finance Committee  
17 established pursuant to Section 67353 shall authorize the issuance  
18 of bonds under this chapter only to the extent necessary to fund  
19 the apportionments for the purposes described in this chapter that  
20 are expressly authorized by the Legislature in the annual Budget  
21 Act. Pursuant to that legislative direction, the committee shall  
22 determine whether or not it is necessary or desirable to issue bonds  
23 authorized pursuant to this chapter in order to carry out the  
24 purposes described in this chapter and, if so, the amount of bonds  
25 to be issued and sold. Successive issues of bonds may be authorized  
26 and sold to carry out those actions progressively, and it is not  
27 necessary that all of the bonds authorized to be issued be sold at  
28 any one time.

29 101135.5. There shall be collected each year and in the same  
30 manner and at the same time as other state revenue is collected,  
31 in addition to the ordinary revenues of the state, a sum in an amount  
32 required to pay the principal of, and interest on, the bonds each  
33 year. It is the duty of all officers charged by law with any duty in  
34 regard to the collection of the revenue to do and perform each and  
35 every act that is necessary to collect that additional sum.

36 101136. Notwithstanding Section 13340 of the Government  
37 Code, there is hereby appropriated from the General Fund in the  
38 State Treasury, for the purposes of this chapter, an amount that  
39 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 101137.5,  
5 appropriated without regard to fiscal years.

6 101136.5. The board, as defined in subdivision (b) of Section  
7 101134.5, may request the Pooled Money Investment Board to  
8 make a loan from the Pooled Money Investment Account or any  
9 other approved form of interim financing, in accordance with  
10 Section 16312 of the Government Code, for the purpose of carrying  
11 out this chapter. The amount of the request shall not exceed the  
12 amount 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 101134.5, 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 101137. 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 101137.5. (a) For 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 2016  
39 California Community College Capital Outlay Bond Fund  
40 consistent with this chapter. Any money made available under this

1 section shall be returned to the General Fund, plus an amount equal  
2 to the interest that the money would have earned in the Pooled  
3 Money Investment Account, from proceeds received from the sale  
4 of bonds for the 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 California Community  
8 Colleges shall be accompanied by the five-year capital outlay plan  
9 that reflects the needs and priorities of the community college  
10 system and is prioritized on a statewide basis. Requests shall  
11 include a schedule that prioritizes the seismic retrofitting needed  
12 to significantly reduce, in the judgment of the particular college,  
13 seismic hazards in buildings identified as high priority by the  
14 college.

15 101138. All money deposited in the 2016 California  
16 Community College Capital Outlay Bond Fund that is derived  
17 from premium and accrued interest on bonds sold shall be reserved  
18 in the fund, and shall be available for transfer to the General Fund  
19 as a credit to expenditures for bond interest.

20 101139. 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 101139.5. 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. 19. The Secretary of State shall submit Sections 17 and  
35 18 of this act to the voters at the \_\_\_\_\_, 2016, statewide \_\_\_\_\_  
36 election.

37 SEC. 20. The provisions of this act are severable. If any  
38 provision of this act or its application is held invalid, that invalidity  
39 shall not affect other provisions or applications that can be given  
40 effect without the invalid provision or application.

1     SEC. 21. Sections 2 to 14, inclusive, and Sections 16, 17, and  
2 18 of this act shall become operative only if the voters approve  
3 the K–14 School Investment Bond Act of 2016, as set forth in  
4 Section 18 of this act.

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