

AMENDED IN ASSEMBLY MAY 6, 2015

AMENDED IN ASSEMBLY APRIL 22, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1088

Introduced by Assembly Member O'Donnell

February 27, 2015

An act to amend Sections 17070.40, 17072.30, 17072.35, 17074.16, 17074.25, and 17074.26 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 17070.44 of, and to repeal Sections 17070.99, 17071.33, 17071.35, and 17071.40 of, the Education Code, relating to education facilities, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1088, as amended, O'Donnell. Education facilities: bond act: Greene Act.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

The act requires, for purposes of determining existing school building capacity, the calculation to be adjusted as required for first priority status, as provided, relating to multitrack year-round schools, and requires, notwithstanding those provisions, the existing school building

capacity for a high school district to be calculated without regard to multitrack year-round school considerations.

This bill would repeal that provision.

This bill would require the ~~State Allocation Board~~ *board* to convene a workgroup comprised of representatives of specified entities to recommend changes to the act that will shorten and streamline the process for construction and modernization of school facilities. The bill would require the board to submit a report containing those recommendations to the Legislature by September 1, 2016.

The bill would authorize the board to require each school district that elects to participate in a new construction 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 delete a provision requiring the 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 state the intent of the Legislature to, commencing with the proceeds from any bond approved by voters after January 1, 2016, adjust the local match requirements for a new construction grant based on a school district's ability to raise local revenue.

The bill would, commencing with the proceeds from any bond approved by voters after January 1, 2016, authorize a grant for new construction to be used for additional specified purposes.

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 authorize the board to require each school district that elects to participate in a modernization program *funded by the proceeds of any bond approved by voters after January 1, 2016*, to reestablish ~~baseline~~ *eligibility, as specified*, ~~specified, and to submit information describing existing facilities for purposes of establishing a statewide inventory, as specified.~~

The bill would state the intent of the Legislature to, commencing with the proceeds from any bond approved by voters after January 1, 2016, adjust the local match requirements for a modernization grant based on a school district's ability to raise local revenue.

The bill would, commencing with the proceeds from any bond approved by voters after January 1, 2016, authorize a modernization apportionment to be used for additional specified purposes.

The bill would require the Office of Public Construction to provide the board recommendations on the value of allowing school districts to replace existing facilities on existing schoolsites under certain conditions.

(2) The California Constitution prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an act that (A) authorizes the debt for a single object or work specified in the act, (B) has been passed by a $\frac{2}{3}$ vote of all the Members elected to each house of the Legislature, (C) has been submitted to the people at a statewide general or primary election, and (D) has received a majority of all the votes cast for and against it at that election.

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

The proposed bond act would become operative only if approved by the voters at an unspecified statewide general election, and the bill would provide for its submission to the voters at that election.

(3) This bill would specify that certain of its provisions would become operative only if the Kindergarten-University Public Education Facilities Bond Act of ____ is approved by the voters at an unspecified statewide general election.

(4) ~~The~~ 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. Section 17070.40 of the Education Code is
- 2 amended to read:
- 3 17070.40. (a) (1) A fund is hereby established in the State
- 4 Treasury to be known as the 1998 State School Facilities Fund.
- 5 All money in the fund, including any money deposited in that fund

1 from any source whatsoever, and notwithstanding Section 13340
2 of the Government Code, is hereby continuously appropriated
3 without regard to fiscal years for expenditure pursuant to this
4 chapter.

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

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

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

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

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

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

32 (4) The board may make disbursements pursuant to any
33 apportionment made from any funds in the 2002 State School
34 Facilities Fund, irrespective of whether there exists at the time of
35 the disbursement an amount in the 2002 State School Facilities
36 Fund sufficient to permit payment in full of all apportionments
37 previously made. However, no disbursement shall be made from
38 any funds required by law to be transferred to the General Fund.

39 (c) (1) A fund is hereby established in the State Treasury to be
40 known as the 2004 State School Facilities Fund. All money in the

1 fund, including any money deposited in that fund from any source
2 whatsoever, and notwithstanding Section 13340 of the Government
3 Code, is hereby continuously appropriated without regard to fiscal
4 years for expenditure pursuant to this chapter.

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

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

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

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

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

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

32 (4) The board may make disbursements pursuant to any
33 apportionment made from any funds in the 2006 State School
34 Facilities Fund, irrespective of whether there exists at the time of
35 the disbursement an amount in the 2006 State School Facilities
36 Fund sufficient to permit payment in full of all apportionments
37 previously made. However, no disbursement shall be made from
38 any funds required by law to be transferred to the General Fund.

39 (e) (1) A fund is hereby established in the State Treasury, to
40 be known as the ____ State School Facilities Fund. All money in

1 the fund, including any money deposited in that fund from any
2 source whatsoever, and notwithstanding Section 13340 of the
3 Government Code, is hereby continuously appropriated without
4 regard to fiscal years for expenditure pursuant to this chapter.

5 (2) The board may apportion funds to school districts for the
6 purposes of this chapter from funds transferred to the ____ State
7 School Facilities Fund from any source.

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

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

19 SEC. 2. Section 17070.44 is added to the Education Code, to
20 read:

21 17070.44. (a) The board shall convene a workgroup comprised
22 of representatives of the Office of Public School Construction, the
23 Department of Finance, the Division of *the* State Architect, the
24 department, other state agencies, and interested stakeholders to
25 recommend changes to this chapter that will shorten and streamline
26 the process for the construction and modernization of school
27 facilities. The board shall submit a report containing those
28 recommendations to the Legislature by September 1, 2016.

29 (b) (1) The report required to be submitted to the Legislature
30 pursuant to subdivision (a) shall be submitted in compliance with
31 Section 9795 of the Government Code.

32 (2) This section shall remain in effect only until January 1, 2021,
33 and as of that date is repealed, unless a later enacted statute, that
34 is enacted before January 1, 2021, deletes or extends that date.

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

36 SEC. 4. Section 17071.15 is added to the Education Code, to
37 read:

38 17071.15. Notwithstanding Section 17071.10, the board may
39 require each school district that elects to participate in the new

1 construction program funded by the proceeds of any bond approved
2 by voters after January 1, 2016, to do both of the following:

3 (a) Reestablish eligibility pursuant to regulations adopted by
4 the board.

5 (b) Submit information describing existing facilities in the school
6 district for the purpose of establishing a statewide inventory,
7 pursuant to regulations adopted by the board.

8 SEC. 5. Section 17071.33 of the Education Code is repealed.

9 SEC. 6. Section 17071.35 of the Education Code is repealed.

10 SEC. 7. Section 17071.40 of the Education Code is repealed.

11 SEC. 8. Section 17072.30 of the Education Code is amended
12 to read:

13 17072.30. (a) Subject to the availability of funds, and to the
14 determination of priority pursuant to Section 17072.25, if
15 applicable, the board shall apportion funds to an eligible school
16 district only upon the approval of the project by the Department
17 of General Services pursuant to the Field Act, as defined in Section
18 17281, and certification by the school district that the required 50
19 percent matching funds from local sources have been expended
20 by the district for the project, or have been deposited in the county
21 fund, or will be expended by the district by the time the project is
22 completed, in an amount at least equal to the proposed
23 apportionment pursuant to this chapter, prior to release of the state
24 funds.

25 (b) It is the intent of the Legislature to adjust the local match
26 requirements for a new construction grant based on a school
27 district's ability to raise local revenue, commencing with the
28 proceeds from any bond approved by voters after January 1, 2016.

29 SEC. 9. Section 17072.35 of the Education Code is amended
30 to read:

31 17072.35. (a) A grant for new construction may be used for
32 any and all costs necessary to adequately house new pupils in any
33 approved project, and those costs may include only the following:

34 (1) The cost of design, engineering, testing, inspection, plan
35 checking, construction management, site acquisition and
36 development, evaluation and response action costs relating to
37 hazardous substances at a new or existing schoolsite, demolition,
38 construction, acquisition and installation of portable classrooms,
39 landscaping, necessary utility costs, utility connections and other
40 fees, equipment including telecommunication equipment to

1 increase school security, furnishings, and the upgrading of electrical
2 systems or the wiring or cabling of classrooms in order to
3 accommodate educational technology.

4 (2) The costs of acquiring an existing government or privately
5 owned building, or a privately financed school building, and
6 necessary costs of converting the government or privately owned
7 building for public school use.

8 (3) The costs of designs and materials that promote the efficient
9 use of energy and water, the maximum use of natural lighting and
10 indoor air quality, the use of recycled materials and materials that
11 emit a minimum of toxic substances, the use of acoustics conducive
12 to teaching and learning, and other characteristics of ~~high~~
13 ~~performance~~ *high-performance* schools.

14 (b) Commencing with proceeds from any bond approved by
15 voters after January 1, 2016, in addition to the purposes identified
16 in subdivision (a), a grant for new construction may be used for
17 the construction of any of the following:

18 (1) Career technical education facilities.

19 (2) Joint use facilities.

20 (3) Preschool facilities located at a schoolsite.

21 SEC. 10. Section 17072.40 is added to the Education Code, to
22 read:

23 17072.40. The Office of Public School Construction, in
24 consultation with the department, shall recommend to the board
25 regulations that will provide school districts with flexibility in
26 designing instructional facilities.

27 SEC. 11. Section 17073.16 is added to the Education Code, to
28 read:

29 17073.16. The board may require each school district that elects
30 to participate in the modernization program funded by the proceeds
31 of any bond approved by voters after January 1, 2016, to ~~reestablish~~
32 *do both of the following*:

33 (a) *Reestablish* baseline eligibility for each schoolsite pursuant
34 to regulations adopted by the board.

35 (b) *Submit information describing existing facilities in the school*
36 *district for the purpose of establishing a statewide inventory,*
37 *pursuant to regulations adopted by the board.*

38 SEC. 12. Section 17074.16 of the Education Code is amended
39 to read:

17074.16. (a) The board shall release disbursements to school districts with approved applications for modernization, to the extent state funds are available for the state's 60-percent share, and the school district has provided its 40-percent local match. Subject to the availability of funds, the board shall apportion funds to an eligible school district only upon the approval of the project by the Department of General Services pursuant to the Field Act, as defined in Section 17281, including, but not limited to, a project that complies with the Field Act by complying with Section 17280.5, and evidence that the certification by the school district that the required 40-percent matching funds from local sources have been expended by the district for the project, or have been deposited in the county fund or will be expended by the district by the time of completion of the project, and evidence that the district has entered into a binding contract for the completion of that project. If state funds are insufficient to fund all qualifying school districts, the board shall fund all qualifying school districts in the order in which the application for funding was approved by the board.

(b) This section shall apply only to an application that was filed after April 29, 2002.

(c) It is the intent of the Legislature to adjust the local match requirements for a modernization grant based on a school district's ability to raise local revenue, commencing with the proceeds from any bond approved by voters after January 1, 2016.

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

17074.25. (a) A modernization apportionment may be used for an improvement to extend the useful life of, or to enhance the physical environment of, the school. The improvement may only include the cost of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, the replacement of portable classrooms, necessary utility costs, utility connection and other fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, and the upgrading of electrical systems or the wiring or cabling of

1 classrooms in order to accommodate educational technology. A
2 modernization grant may not be used for costs associated with
3 acquisition and development of real property or for routine
4 maintenance and repair.

5 (b) A modernization apportionment may also be used for the
6 cost of designs and materials that promote the efficient use of
7 energy and water, the maximum use of natural lighting and indoor
8 air quality, the use of recycled materials and materials that emit a
9 minimum of toxic substances, the use of acoustics conducive to
10 teaching and learning, and other characteristics of
11 high-performance schools.

12 (c) Commencing with proceeds from any bond approved by
13 voters after January 1, 2016, in addition to the purposes identified
14 in subdivisions (a) and (b), a modernization apportionment may
15 be used for any of the following:

16 (1) Rehabilitating existing career technical education facilities.

17 (2) Seismic retrofits.

18 (3) Rehabilitating an existing facility for use by a preschool
19 located at an existing schoolsite.

20 (d) (1) The Legislature finds and declares that the state has an
21 aging and deteriorating school facilities inventory and in certain
22 circumstances it would be prudent to replace those facilities rather
23 than to expend state and local modernization bond funds.

24 (2) The Office of Public School Construction shall provide to
25 the board recommendations on the value of allowing school
26 districts to replace existing facilities on existing schoolsites under
27 certain conditions.

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

30 17074.26. The board shall adopt regulations to adjust the
31 per-pupil amounts set forth in Section 17074.10 for modernization
32 projects for school buildings that are 50 years old or older based
33 upon the higher costs associated with modernizing older buildings.

34 SEC. 15. Part 70 (commencing with Section 101100) is added
35 to Division 14 of Title 3 of the Education Code, to read:

PART 70. KINDERGARTEN-UNIVERSITY PUBLIC
EDUCATION FACILITIES BOND ACT OF ____

CHAPTER 1. GENERAL

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

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

101102. (a) Bonds in the total amount of ____ dollars (\$____),
not including the amount of any refunding bonds issued in
accordance with Sections 101130, 101139, and 101159, or so much
thereof as is necessary, may be issued and sold to provide a fund
to be used for carrying out the purposes expressed in this part and
to reimburse the General Obligation Bond Expense Revolving
Fund pursuant to Section 16724.5 of the Government Code. The
bonds, when sold, shall be and constitute a valid and binding
obligation of the State of California, and the full faith and credit
of the State of California is hereby pledged for the punctual
payment of the principal of, and interest on, the bonds as the
principal and interest become due and payable.

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

CHAPTER 2. KINDERGARTEN THROUGH GRADE 12

Article 1. Kindergarten Through Grade 12 School Facilities
Program Provisions

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

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

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

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

(2) The amount of ____ dollars (\$____) shall be available for providing school facilities to charter schools pursuant to Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

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

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

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

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

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

(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 utilized 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
11 Article 2. Kindergarten Through Grade 12 School Facilities
12 Fiscal Provisions
13

14 101120. (a) Of the total amount of bonds authorized to be
15 issued and sold pursuant to Chapter 1 (commencing with Section
16 101000), bonds in the amount of ____ dollars (\$____) not including
17 the amount of any refunding bonds issued in accordance with
18 Section 101130, or so much thereof as is necessary, may be issued
19 and sold to provide a fund to be used for carrying out the purposes
20 expressed in this chapter and to reimburse the General Obligation
21 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
22 Government Code. The bonds, when sold, shall be and constitute
23 a valid and binding obligation of the State of California, and the
24 full faith and credit of the State of California is hereby pledged
25 for the punctual payment of the principal of, and interest on, the
26 bonds as the principal and interest become due and payable.

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

31 101121. The State School Building Finance Committee,
32 established by Section 15909 and composed of the Governor, the
33 Controller, the Treasurer, the Director of Finance, and the
34 Superintendent, or their designated representatives, all of whom
35 shall serve thereon without compensation, and a majority of whom
36 shall constitute a quorum, is continued in existence for the purpose
37 of this chapter. The Treasurer shall serve as chairperson of the
38 committee. Two Members of the Senate appointed by the Senate
39 Committee on Rules, and two Members of the Assembly appointed
40 by the Speaker of the Assembly, shall meet with and provide advice

1 to the committee to the extent that the advisory participation is not
2 incompatible with their respective positions as Members of the
3 Legislature. For the purposes of this chapter, the Members of the
4 Legislature shall constitute an interim investigating committee on
5 the subject of this chapter and, as that committee, shall have the
6 powers granted to, and duties imposed upon, those committees by
7 the Joint Rules of the Senate and the Assembly. The Director of
8 Finance shall provide assistance to the committee as it may require.
9 The Attorney General of the state is the legal adviser of the
10 committee.

11 101122. (a) The bonds authorized by this chapter shall be
12 prepared, executed, issued, sold, paid, and redeemed as provided
13 in the State General Obligation Bond Law (Chapter 4 (commencing
14 with Section 16720) of Part 3 of Division 4 of Title 2 of the
15 Government Code), and all of the provisions of that law, except
16 Section 16727 of the Government Code to the extent that it
17 conflicts with this part, apply to the bonds and to this chapter and
18 are hereby incorporated into this chapter as though set forth in full
19 within this chapter.

20 (b) For purposes of the State General Obligation Bond Law, the
21 State Allocation Board is designated the “board” for purposes of
22 administering the ____ State School Facilities Fund.

23 101123. (a) Upon request of the State Allocation Board, the
24 State School Building Finance Committee shall determine whether
25 or not it is necessary or desirable to issue bonds authorized pursuant
26 to this chapter in order to fund the apportionments and, if so, the
27 amount of bonds to be issued and sold. Successive issues of bonds
28 may be authorized and sold to fund those apportionments
29 progressively, and it is not necessary that all of the bonds
30 authorized to be issued be sold at any one time.

31 (b) A request of the State Allocation Board pursuant to
32 subdivision (a) shall be supported by a statement of the
33 apportionments made and to be made for the purposes described
34 in Sections 101111 and 101112.

35 101124. There shall be collected each year and in the same
36 manner and at the same time as other state revenue is collected,
37 in addition to the ordinary revenues of the state, a sum in an amount
38 required to pay the principal of, and interest on, the bonds each
39 year. It is the duty of all officers charged by law with any duty in

1 regard to the collection of the revenue to do and perform each and
2 every act that is necessary to collect that additional sum.

3 101125. Notwithstanding Section 13340 of the Government
4 Code, there is hereby appropriated from the General Fund in the
5 State Treasury, for the purposes of this chapter, an amount that
6 will equal the total of the following:

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

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

12 101126. The State Allocation Board may request the Pooled
13 Money Investment Board to make a loan from the Pooled Money
14 Investment Account or any other approved form of interim
15 financing, in accordance with Section 16312 of the Government
16 Code, for the purpose of carrying out this chapter. The amount of
17 the request shall not exceed the amount of the unsold bonds that
18 the committee, by resolution, has authorized to be sold for the
19 purpose of carrying out this chapter. The board shall execute any
20 documents required by the Pooled Money Investment Board to
21 obtain and repay the loan. Any amounts loaned shall be deposited
22 in the fund to be allocated by the board in accordance with this
23 chapter.

24 101127. Notwithstanding any other provision of this chapter,
25 or of the State General Obligation Bond Law, if the Treasurer sells
26 bonds pursuant to this chapter that include a bond counsel opinion
27 to the effect that the interest on the bonds is excluded from gross
28 income for federal tax purposes, subject to designated conditions,
29 the Treasurer may maintain separate accounts for the investment
30 of bond proceeds and for the investment earnings on those
31 proceeds. The Treasurer may use or direct the use of those proceeds
32 or earnings to pay any rebate, penalty, or other payment required
33 under federal law or take any other action with respect to the
34 investment and use of those bond proceeds required or desirable
35 under federal law to maintain the tax-exempt status of those bonds
36 and to obtain any other advantage under federal law on behalf of
37 the funds of this state.

38 101128. For the purposes of carrying out this chapter, the
39 Director of Finance may authorize the withdrawal from the General
40 Fund of an amount not to exceed the amount of the unsold bonds

1 that have been authorized by the State School Building Finance
2 Committee to be sold for the purpose of carrying out this chapter.
3 Any amounts withdrawn shall be deposited in the ____ State
4 School Facilities Fund consistent with this chapter. Any money
5 made available under this section shall be returned to the General
6 Fund, plus an amount equal to the interest that the money would
7 have earned in the Pooled Money Investment Account, from
8 proceeds received from the sale of bonds for the purpose of
9 carrying out this chapter.

10 101129. All money deposited in the ____ State School Facilities
11 Fund that is derived from premium and accrued interest on bonds
12 sold shall be reserved in the fund and shall be available for transfer
13 to the General Fund as a credit to expenditures for bond interest.

14 101130. The bonds may be refunded in accordance with Article
15 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
16 Division 4 of Title 2 of the Government Code, which is a part of
17 the State General Obligation Bond Law. Approval by the voters
18 of the state for the issuance of the bonds described in this chapter
19 includes the approval of the issuance of any bonds issued to refund
20 any bonds originally issued under this chapter or any previously
21 issued refunding bonds.

22 101131. The Legislature hereby finds and declares that,
23 inasmuch as the proceeds from the sale of bonds authorized by
24 this chapter are not “proceeds of taxes” as that term is used in
25 Article XIII B of the California Constitution, the disbursement of
26 these proceeds is not subject to the limitations imposed by that
27 article.

28
29 CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES
30

31 Article 1. General
32

33 101132. (a) The ____ California Community College Capital
34 Outlay Bond Fund is hereby established in the State Treasury for
35 deposit of funds from the proceeds of bonds issued and sold for
36 the purposes of this chapter.

37 (b) The Higher Education Facilities Finance Committee
38 established pursuant to Section 67353 is hereby authorized to create
39 a debt or debts, liability or liabilities, of the State of California

1 pursuant to this chapter for the purpose of providing funds to aid
2 the California Community Colleges.

3
4 Article 2. California Community College Program Provisions

5
6 101133. (a) From the proceeds of bonds issued and sold
7 pursuant to Article 3 (commencing with Section 101134), the sum
8 of ____ dollars (\$____) shall be deposited in the ____ California
9 Community College Capital Outlay Bond Fund for the purposes
10 of this article. When appropriated, these funds shall be available
11 for expenditure for the purposes of this article.

12 (b) The purposes of this article include assisting in meeting the
13 capital outlay financing needs of the California Community
14 Colleges.

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

26
27 Article 3. California Community College Fiscal Provisions

28
29 101134. (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 total amount of ____ dollars (\$____), not
32 including the amount of any refunding bonds issued in accordance
33 with Section 101139, 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) It is the intent of the Legislature that the California
4 Community Colleges annually consider, as part of their annual
5 capital outlay planning process, the inclusion of facilities that may
6 be used by more than one segment of public higher education
7 (intersegmental), and, that on or before May 15 of each year, those
8 entities report their findings to the budget committees of each
9 house of the Legislature.

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

14 101134.5. (a) The bonds authorized by this chapter shall be
15 prepared, executed, issued, sold, paid, and redeemed as provided
16 in the State General Obligation Bond Law (Chapter 4 (commencing
17 with Section 16720) of Part 3 of Division 4 of Title 2 of the
18 Government Code), and all of the provisions of that law, except
19 Section 16727 of the Government Code to the extent that it
20 conflicts with this part, apply to the bonds and to this chapter and
21 are hereby incorporated into this chapter as though set forth in full
22 within this chapter.

23 (b) For the purposes of the State General Obligation Bond Law,
24 each state agency administering an appropriation of the _____
25 Community College Capital Outlay Bond Fund is designated as
26 the “board” for projects funded pursuant to this chapter.

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

32 101135. The Higher Education Facilities Finance Committee
33 established pursuant to Section 67353 shall authorize the issuance
34 of bonds under this chapter only to the extent necessary to fund
35 the apportionments for the purposes described in this chapter that
36 are expressly authorized by the Legislature in the annual Budget
37 Act. Pursuant to that legislative direction, the committee shall
38 determine whether or not it is necessary or desirable to issue bonds
39 authorized pursuant to this chapter in order to carry out the
40 purposes described in this chapter and, if so, the amount of bonds

1 to be issued and sold. Successive issues of bonds may be authorized
2 and sold to carry out those actions progressively, and it is not
3 necessary that all of the bonds authorized to be issued be sold at
4 any one time.

5 101135.5. There shall be collected each year and in the same
6 manner and at the same time as other state revenue is collected,
7 in addition to the ordinary revenues of the state, a sum in an amount
8 required to pay the principal of, and interest on, the bonds each
9 year. It is the duty of all officers charged by law with any duty in
10 regard to the collection of the revenue to do and perform each and
11 every act which is necessary to collect that additional sum.

12 101136. Notwithstanding Section 13340 of the Government
13 Code, there is hereby appropriated from the General Fund in the
14 State Treasury, for the purposes of this chapter, an amount that
15 will equal the total of the following:

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

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

21 101136.5. The board, as defined in subdivision (b) of Section
22 101134.5, may request the Pooled Money Investment Board to
23 make a loan from the Pooled Money Investment Account or any
24 other approved form of interim financing, in accordance with
25 Section 16312 of the Government Code, for the purpose of carrying
26 out this chapter. The amount of the request shall not exceed the
27 amount of the unsold bonds that the committee, by resolution, has
28 authorized to be sold for the purpose of carrying out this chapter.
29 The board, as defined in subdivision (b) of Section 101134.5, shall
30 execute any documents required by the Pooled Money Investment
31 Board to obtain and repay the loan. Any amounts loaned shall be
32 deposited in the fund to be allocated by the board in accordance
33 with this chapter.

34 101137. Notwithstanding any other provision of this chapter,
35 or of the State General Obligation Bond Law, if the Treasurer sells
36 bonds pursuant to this chapter that include a bond counsel opinion
37 to the effect that the interest on the bonds is excluded from gross
38 income for federal tax purposes, subject to designated conditions,
39 the Treasurer may maintain separate accounts for the investment
40 of bond proceeds and for the investment earnings on those

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

8 101137.5. (a) For the purposes of carrying out this chapter,
9 the Director of Finance may authorize the withdrawal from the
10 General Fund of an amount not to exceed the amount of the unsold
11 bonds that have been authorized by the Higher Education Facilities
12 Finance Committee to be sold for the purpose of carrying out this
13 chapter. Any amounts withdrawn shall be deposited in the _____
14 California Community College Capital Outlay Bond Fund
15 consistent with this chapter. Any money made available under this
16 section shall be returned to the General Fund, plus an amount equal
17 to the interest that the money would have earned in the Pooled
18 Money Investment Account, from proceeds received from the sale
19 of bonds for the purpose of carrying out this chapter.

20 (b) Any request forwarded to the Legislature and the Department
21 of Finance for funds from this bond issue for expenditure for the
22 purposes described in this chapter by the California Community
23 Colleges shall be accompanied by the five-year capital outlay plan
24 that reflects the needs and priorities of the community college
25 system and is prioritized on a statewide basis. Requests shall
26 include a schedule that prioritizes the seismic retrofitting needed
27 to significantly reduce, in the judgment of the particular college,
28 seismic hazards in buildings identified as high priority by the
29 college.

30 101138. All money deposited in the _____ California
31 Community College Capital Outlay Bond Fund that is derived
32 from premium and accrued interest on bonds sold shall be reserved
33 in the fund and shall be available for transfer to the General Fund
34 as a credit to expenditures for bond interest.

35 101139. The bonds may be refunded in accordance with Article
36 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
37 Division 4 of Title 2 of the Government Code, which is a part of
38 the State General Obligation Bond Law. Approval by the voters
39 of the state for the issuance of the bonds described in this chapter
40 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 101139.5. 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 4. UNIVERSITY FACILITIES

11
12 Article 1. General

13
14 101140. (a) The system of public universities in this state
15 includes the University of California, the Hastings College of the
16 Law, and the California State University, and their respective
17 off-campus centers.

18 (b) The ____ University Capital Outlay Bond Fund is hereby
19 established in the State Treasury for deposit of funds from the
20 proceeds of bonds issued and sold for the purposes of this chapter.

21 (c) The Higher Education Facilities Finance Committee
22 established pursuant to Section 67353 is hereby authorized to create
23 a debt or debts, liability or liabilities, of the State of California
24 pursuant to this chapter for the purpose of providing funds to aid
25 the University of California, the Hastings College of the Law, and
26 the California State University.

27
28 Article 2. Program Provisions Applicable to the University of
29 California and the Hastings College of *the* Law

30
31 101141. (a) From the proceeds of bonds issued and sold
32 pursuant to Article 4 (commencing with Section 101150), the sum
33 of ____ dollars (\$____) shall be deposited in the ____ University
34 Capital Outlay Bond Fund for the purposes of this article. When
35 appropriated, these funds shall be available for expenditure for the
36 purposes of this article.

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

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

Article 3. Program Provisions Applicable to the California State University

101142. (a) From the proceeds of bonds issued and sold pursuant to Article 4 (commencing with Section 101150), the sum of ____ dollars (\$____) shall be deposited in the ____ University Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

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

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

Article 4. University Fiscal Provisions

101150. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section

1 101100), bonds in the amount of ____ dollars (\$____), not
2 including the amount of any refunding bonds issued in accordance
3 with Section 101159, or so much thereof as is necessary, may be
4 issued and sold to provide a fund to be used for carrying out the
5 purposes expressed in this chapter and to reimburse the General
6 Obligation Bond Expense Revolving Fund pursuant to Section
7 16724.5 of the Government Code. The bonds, when sold, shall be
8 and constitute a valid and binding obligation of the State of
9 California, and the full faith and credit of the State of California
10 is hereby pledged for the punctual payment of the principal of, and
11 interest on, the bonds as the principal and interest become due and
12 payable.

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

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

24 101151. (a) The bonds authorized by this chapter shall be
25 prepared, executed, issued, sold, paid, and redeemed as provided
26 in the State General Obligation Bond Law (Chapter 4 (commencing
27 with Section 16720) of Part 3 of Division 4 of Title 2 of the
28 Government Code), and all of the provisions of that law, except
29 Section 16727 of the Government Code to the extent that it
30 conflicts with this part, apply to the bonds and to this chapter and
31 are hereby incorporated into this chapter as though set forth in full
32 within this chapter.

33 (b) For the purposes of the State General Obligation Bond Law,
34 each state agency administering an appropriation of the ____
35 University Capital Outlay Bond Fund is designated as the “board”
36 for projects funded pursuant to this chapter.

37 (c) The proceeds of the bonds issued and sold pursuant to this
38 chapter shall be available for the purpose of funding aid to the
39 University of California, the Hastings College of the Law, and the
40 California State University, for the construction on existing or new

campuses, and their respective off-campus centers and joint use and intersegmental facilities, as set forth in this chapter.

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

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

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

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

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

101155. The board, as defined in subdivision (b) of Section 101151, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 101151, shall

1 execute any documents required by the Pooled Money Investment
2 Board to obtain and repay the loan. Any amounts loaned shall be
3 deposited in the fund to be allocated by the board in accordance
4 with this chapter.

5 101156. Notwithstanding any other provision of this chapter,
6 or of the State General Obligation Bond Law, if the Treasurer sells
7 bonds pursuant to this chapter that include a bond counsel opinion
8 to the effect that the interest on the bonds is excluded from gross
9 income for federal tax purposes, subject to designated conditions,
10 the Treasurer may maintain separate accounts for the investment
11 of bond proceeds and for the investment earnings on those
12 proceeds. The Treasurer may use or direct the use of those proceeds
13 or earnings to pay any rebate, penalty, or other payment required
14 under federal law or take any other action with respect to the
15 investment and use of those bond proceeds required or desirable
16 under federal law to maintain the tax-exempt status of those bonds
17 and to obtain any other advantage under federal law on behalf of
18 the funds of this state.

19 101157. (a) For the purposes of carrying out this chapter, the
20 Director of Finance may authorize the withdrawal from the General
21 Fund of an amount not to exceed the amount of the unsold bonds
22 that have been authorized by the Higher Education Facilities
23 Finance Committee to be sold for the purpose of carrying out this
24 chapter. Any amounts withdrawn shall be deposited in the ____
25 University Capital Outlay Bond Fund consistent with this chapter.
26 Any money made available under this section shall be returned to
27 the General Fund, plus an amount equal to the interest that the
28 money would have earned in the Pooled Money Investment
29 Account, from proceeds received from the sale of bonds for the
30 purpose of carrying out this chapter.

31 (b) Any request forwarded to the Legislature and the Department
32 of Finance for funds from this bond issue for expenditure for the
33 purposes described in this chapter by the University of California,
34 the Hastings College of the Law, or the California State University
35 shall be accompanied by the five-year capital outlay plan. Requests
36 forwarded by a university or college shall include a schedule that
37 prioritizes the seismic retrofitting needed to significantly reduce,
38 in the judgment of the particular university or college, seismic
39 hazards in buildings identified as high priority by the university
40 or college.

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

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

101160. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 16. The Secretary of State shall submit Section 15 of this act to the voters at the ____ statewide general election.

SEC. 17. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 18. Section 1 and Sections 3 to 15, inclusive, of this act shall become operative only if the voters approve the Kindergarten-University Public Education Facilities Bond Act of ____, as set forth in Section 15 of this act.