

Introduced by Senator LiuJanuary 13, 2015

An act to amend Sections 17070.15, 17070.40, 17070.75, 17072.35, 17074.25, 17074.26, and 17592.70 of, to add Sections 17071.15, 17072.40, and 17073.16 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 education 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

SB 114, as introduced, Liu. Education facilities: Kindergarten-University Public Education Facilities 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.

This bill would enact the Kindergarten-University Public Education Facilities 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, 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 2016 State School Facilities Fund, the 2016 California Community College Capital Outlay Bond Fund, and the 2016 University Capital Outlay Bond Fund, which the bill would establish as specified.

The proposed bond act would become operative only if approved by the voters at the November 8, 2016, 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 2016 is approved by the voters at the November 8, 2016, statewide general 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. Section 17070.15 of the Education Code is
2 amended to read:

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

6 (a) "Apportionment" means a reservation of funds for the
7 purpose of eligible new construction, modernization, or hardship
8 approved by the board for an applicant school district.

9 (b) "Attendance area" means the geographical area serving an
10 existing high school and those junior high schools and elementary
11 schools included therein.

12 (c) "Board" means the State Allocation Board as established by
13 Section 15490 of the Government Code.

14 (d) "Committee" means the State School Building Finance
15 Committee established pursuant to Section 15909.

16 (e) "County fund" means a county school facilities fund
17 established pursuant to Section 17070.43.

18 (f) "Department" means the Department of General Services.

19 (g) "Fund" means the applicable 1998 State School Facilities
20 Fund, the 2002 State School Facilities Fund, ~~or~~ the 2004 State
21 School Facilities Fund, *the 2006 State School Facilities Fund, or*

1 *the 2016 State School Facilities Fund*, established pursuant to
2 Section 17070.40.

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

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

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

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

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

21 (m) “School district” means a school district or a county office
22 of education. For purposes of determining eligibility under this
23 chapter, “school district” may also mean a high school attendance
24 area.

25 SEC. 2. Section 17070.40 of the Education Code is amended
26 to read:

27 17070.40. (a) (1) A fund is hereby established in the State
28 ~~Treasury~~ *Treasury*, to be known as the 1998 State School Facilities
29 Fund. All money in the fund, including any money deposited in
30 that fund from any source whatsoever, and notwithstanding Section
31 13340 of the Government Code, is hereby continuously
32 appropriated without regard to fiscal years for expenditure pursuant
33 to this chapter.

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

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

1 (4) The board may make disbursements pursuant to any
2 apportionment made from any funds in the 1998 State School
3 Facilities Fund, irrespective of whether there exists at the time of
4 the disbursement an amount in the 1998 State School Facilities
5 Fund sufficient to permit payment in full of all apportionments
6 previously made. However, no disbursement shall be made from
7 any funds required by law to be transferred to the General Fund.

8 (b) (1) A fund is hereby established in the State ~~Treasury~~
9 *Treasury*, to be known as the 2002 State School Facilities Fund.
10 All money in the fund, including any money deposited in that fund
11 from any source whatsoever, and notwithstanding Section 13340
12 of the Government Code, is hereby continuously appropriated
13 without regard to fiscal years for expenditure pursuant to this
14 chapter.

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

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

22 (4) The board may make disbursements pursuant to any
23 apportionment made from any funds in the 2002 State School
24 Facilities Fund, irrespective of whether there exists at the time of
25 the disbursement an amount in the 2002 State School Facilities
26 Fund sufficient to permit payment in full of all apportionments
27 previously made. However, no disbursement shall be made from
28 any funds required by law to be transferred to the General Fund.

29 (c) (1) A fund is hereby established in the State ~~Treasury~~
30 *Treasury*, to be known as the 2004 State School Facilities Fund.
31 All money in the fund, including any money deposited in that fund
32 from any source whatsoever, and notwithstanding Section 13340
33 of the Government Code, is hereby continuously appropriated
34 without regard to fiscal years for expenditure pursuant to this
35 chapter.

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

39 (3) The board may make apportionments in amounts not
40 exceeding those funds on deposit in the 2004 State School Facilities

1 Fund, and any amount of bonds authorized by the committee, but
2 not yet sold by the Treasurer.

3 (4) The board may make disbursements pursuant to any
4 apportionment made from any funds in the 2004 State School
5 Facilities Fund, irrespective of whether there exists at the time of
6 the disbursement an amount in the 2004 State School Facilities
7 Fund sufficient to permit payment in full of all apportionments
8 previously made. However, no disbursement shall be made from
9 any funds required by law to be transferred to the General Fund.

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

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

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

23 (4) The board may make disbursements pursuant to any
24 apportionment made from any funds in the 2006 State School
25 Facilities Fund, irrespective of whether there exists at the time of
26 the disbursement an amount in the 2006 State School Facilities
27 Fund sufficient to permit payment in full of all apportionments
28 previously made. However, no disbursement shall be made from
29 any funds required by law to be transferred to the General Fund.

30 (e) (1) *A fund is hereby established in the State Treasury, to be
31 known as the 2016 State School Facilities Fund. All money in the
32 fund, including any money deposited in that fund from any source
33 whatsoever, and notwithstanding Section 13340 of the Government
34 Code, is hereby continuously appropriated without regard to fiscal
35 years for expenditure pursuant to this chapter.*

36 (2) *The board may apportion funds to school districts for the
37 purposes of this chapter from funds transferred to the 2016 State
38 School Facilities Fund from any source.*

39 (3) *The board may make apportionments in amounts not
40 exceeding those funds on deposit in the 2016 State School Facilities*

1 *Fund, and any amount of bonds authorized by the committee, but*
2 *not yet sold by the Treasurer.*

3 *(4) The board may make disbursements pursuant to any*
4 *apportionment made from any funds in the 2016 State School*
5 *Facilities Fund, irrespective of whether there exists at the time of*
6 *the disbursement an amount in the 2016 State School Facilities*
7 *Fund sufficient to permit payment in full of all apportionments*
8 *previously made. However, no disbursement shall be made from*
9 *any funds required by law to be transferred to the General Fund.*

10 SEC. 3. Section 17070.75 of the Education Code is amended
11 to read:

12 17070.75. (a) ~~The~~ *As a condition of participation in the school*
13 *facilities program, the board shall require the school district to*
14 *make all necessary repairs, renewals, and replacements to ensure*
15 *that a project is at all times maintained in good repair, working*
16 *order, and condition. All costs incurred for this purpose shall be*
17 *borne by the school district.*

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

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

27 (2) (A) Agree to deposit into the account established pursuant
28 to paragraph (1), in each fiscal year for 20 years after receipt of
29 funds under this chapter, a minimum amount equal to or greater
30 than ~~3~~ 2 percent of the total general fund expenditures of the
31 applicant school district, including other financing uses, for that
32 fiscal year. ~~Annual deposits to the account established pursuant to~~
33 ~~paragraph (1) in excess of 2 ½ percent of the school district general~~
34 ~~fund budget may count towards the amount of funds required to~~
35 ~~be contributed by a school district in order to receive~~
36 ~~apportionments from the State School Deferred Maintenance Fund~~
37 ~~pursuant to Section 17584 to the extent that those funds are used~~
38 ~~for purposes that qualify for funding under that section.~~

39 (B) Notwithstanding subparagraph (A), for the 2004-05 fiscal
40 year only, an applicant school district shall deposit into the account

1 established pursuant to paragraph (1), no less than 2 percent of the
2 total general fund expenditures of the school district, including
3 other financing uses, for the fiscal year. The annual deposit to the
4 account in excess of 1½ percent of the school district general fund
5 budget for the 2004–05 fiscal year may count towards the amount
6 that a school district is required to contribute in order to receive
7 apportionments from the State School Deferred Maintenance Fund
8 pursuant to Section 17584 to the extent that those funds are used
9 for purposes that qualify for funding under that section.

10 ~~(C)~~

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

20 ~~(D)~~

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

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

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

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

28 (3) Certify that it has publicly approved an ongoing and major
29 maintenance plan that outlines the use of the funds deposited, or
30 to be deposited, pursuant to paragraph (2). The plan may provide
31 that the school district need not expend all of its annual allocation
32 for ongoing and major maintenance in the year in which it is
33 deposited if the cost of major maintenance requires that the
34 allocation be carried over into another fiscal year. However, any
35 state funds carried over into a subsequent year may not be counted
36 toward the annual minimum contribution by the school district. ~~A~~
37 ~~plan developed in compliance with this section shall be deemed~~
38 ~~to meet the requirements of Section 17585.~~

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

4 ~~(d)~~

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

9 (e)

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

15 (f)

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

18 SEC. 4. Section 17070.99 of the Education Code is repealed.

19 ~~17070.99. (a) The board shall conduct an evaluation on the~~
20 ~~cost of new construction and modernization of small high schools~~
21 ~~in conjunction with the pilot program established pursuant to~~
22 ~~subdivision (c) of Section 17072.10, as it read on January 1, 2005.~~

23 ~~(b) The State Department of Education shall conduct an~~
24 ~~evaluation that focuses on pupil outcomes, including, but not~~
25 ~~limited to, academic achievement and college attendance rates, at~~
26 ~~the small high schools constructed pursuant to subdivision (c) of~~
27 ~~Section 17072.10, as it read on January 1, 2005, and on the reasons~~
28 ~~school districts do not currently opt to build small high schools.~~

29 ~~(c) The evaluations required pursuant to subdivisions (a) and~~
30 ~~(b) shall be completed no later than two years after the opening of~~
31 ~~the last small high school constructed pursuant to subdivision (c)~~
32 ~~of Section 17072.10, as it read on January 1, 2005.~~

33 ~~(d) The evaluations conducted pursuant to subdivisions (a) and~~
34 ~~(b) shall be used to inform the direction of future school facilities~~
35 ~~construction and related bond measures.~~

36 SEC. 5. Section 17071.15 is added to the Education Code, to
37 read:

38 17071.15. Notwithstanding Section 17071.10, the board shall
39 require a school district that elects to participate in the new
40 construction program to conduct an inventory of existing facilities

1 and submit this information to the board, as prescribed by the
2 board, for purposes of maintaining a statewide school facilities
3 inventory.

4 SEC. 6. Section 17071.33 of the Education Code is repealed.

5 ~~17071.33. (a) For the purposes of determining existing school~~
6 ~~building capacity, the calculation shall be adjusted as required for~~
7 ~~first priority status pursuant to Section 17017.7 as that calculation~~
8 ~~would have been made under the policies of the board in effect~~
9 ~~immediately preceding September 1, 1998.~~

10 ~~(b) Notwithstanding subdivision (a), with respect to a high~~
11 ~~school district, the existing school building capacity shall be~~
12 ~~calculated without regard to multitrack year-round school~~
13 ~~considerations.~~

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

15 ~~17071.35. Notwithstanding any other provisions of law, the~~
16 ~~maximum school building capacity for each applicant district shall~~
17 ~~be increased by the number of pupils reported by the~~
18 ~~Superintendent of Public Instruction for that grade level pursuant~~
19 ~~to Section 42268. This adjustment shall be calculated on the basis,~~
20 ~~at the district's option, of either the district as a whole or the~~
21 ~~appropriate attendance area.~~

22 SEC. 8. Section 17071.40 of the Education Code is repealed.

23 ~~17071.40. Each school on a year-round, multitrack calendar~~
24 ~~that has a density of 200 or more pupils enrolled per acre, that is~~
25 ~~located in a school district with 40 percent of its pupils attending~~
26 ~~multitrack, year-round schools shall be exempted from the increase~~
27 ~~in school building capacity required by Section 17071.35. Nothing~~
28 ~~in this section shall be construed as exempting the school from the~~
29 ~~requirements of Section 17071.33.~~

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

32 17072.35. (a) (1) A grant for new construction may be used
33 for any and all costs necessary to adequately house new pupils in
34 any approved project, and those costs may only include the cost
35 of design, engineering, testing, inspection, plan checking,
36 construction management, site acquisition and development,
37 evaluation and response action costs relating to hazardous
38 substances at a new or existing schoolsite, demolition, construction,
39 acquisition and installation of portable classrooms, landscaping,
40 necessary utility costs, utility connections and other fees, equipment

1 including telecommunication equipment to increase school security,
2 furnishings, and the upgrading of electrical systems or the wiring
3 or cabling of classrooms in order to accommodate educational
4 technology. A grant for new construction may also be used to
5 acquire an existing government or privately owned building, or a
6 privately financed school building, and for the necessary costs of
7 converting the government or privately owned building for public
8 school use. A grant for new construction may also be used for the
9 costs of designs and materials that promote the efficient use of
10 energy and water, the maximum use of natural lighting and indoor
11 air quality, the use of recycled materials and materials that emit a
12 minimum of toxic substances, the use of acoustics conducive to
13 teaching and learning, and other characteristics of high performance
14 schools. *A grant for new construction may be used for seismic*
15 *mitigation purposes and for related design, study, and testing costs.*

16 (2) *An applicant who receives a new construction grant shall*
17 *ensure that the project incorporates designs and materials that*
18 *promote the efficient use of energy and water, the maximum use*
19 *of natural lighting and indoor air quality, the use of recycled*
20 *materials and materials that emit a minimum of toxic substances,*
21 *the use of acoustics conducive to teaching and learning, and other*
22 *characteristics of high performance schools.*

23 (b) *In the development of guidelines and regulations, the board*
24 *shall provide a school district with maximum flexibility in the*
25 *design and new construction of school facilities.*

26 SEC. 10. Section 17072.40 is added to the Education Code, to
27 read:

28 17072.40. The Office of Public School Construction, in
29 consultation with the State Department of Education, shall
30 recommend to the board regulations that will provide school
31 districts with flexibility in designing instructional facilities. These
32 recommendations shall propose revisions to any regulations that
33 limit the ability of school districts to use new construction grants
34 to construct instructional space approved by the State Department
35 of Education. The proposed revisions shall ensure that a school
36 district has the ability to design a facility that provides a flexible
37 learning environment, provides for the integration and use of
38 technology, and serves as an instructional space and learning
39 environment that supports and enhances the educational delivery
40 process.

1 SEC. 11. Section 17073.16 is added to the Education Code, to
 2 read:

3 17073.16. The board shall require a school district that elects
 4 to participate in the modernization program to conduct an inventory
 5 of existing facilities and submit this information to the board, as
 6 prescribed by the board, for purposes of maintaining a statewide
 7 school facilities inventory.

8 SEC. 12. Section 17074.25 of the Education Code is amended
 9 to read:

10 17074.25. (a) (1) A modernization apportionment may be
 11 used for an improvement to extend the useful life of, or to enhance
 12 the physical environment of, the school. The improvement may
 13 only include the cost of design, engineering, testing, inspection,
 14 plan checking, construction management, demolition, construction,
 15 the replacement of portable classrooms, necessary utility costs,
 16 utility connection and other fees, the purchase and installation of
 17 air-conditioning equipment and insulation materials and related
 18 costs, furniture and equipment, including telecommunication
 19 equipment to increase school security, fire safety improvements,
 20 playground safety improvements, the identification, assessment,
 21 or abatement of hazardous asbestos, seismic safety improvements,
 22 and the upgrading of electrical systems or the wiring or cabling of
 23 classrooms in order to accommodate educational technology. A
 24 modernization grant may not be used for costs associated with
 25 acquisition and development of real property or for routine
 26 maintenance and repair.

27 ~~(b) A~~

28 (2) A modernization apportionment may also be used for ~~the~~
 29 *either of the following:*

30 (A) *The cost of designs and materials that promote the efficient*
 31 *use of energy and water, the maximum use of natural lighting and*
 32 *indoor air quality, the use of recycled materials and materials that*
 33 *emit a minimum of toxic substances, the use of acoustics conducive*
 34 *to teaching and learning, and other characteristics of*
 35 *high-performance schools.*

36 (B) *Seismic mitigation purposes and related design, study, and*
 37 *testing costs.*

38 (3) *An applicant that receives a modernization apportionment*
 39 *shall ensure that the project incorporates designs and materials*
 40 *that promote the efficient use of energy and water, the maximum*

1 *use of natural lighting and indoor air quality, the use of recycled*
2 *materials and materials that emit a minimum of toxic substances,*
3 *the use of acoustics conducive to teaching and learning, and other*
4 *characteristics of high-performance schools.*

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 modernization of school facilities.*

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

13 *(2) A project deemed to meet the requirements of paragraph*
14 *(1) shall be eligible for a grant equal to the grant provided under*
15 *Section 17072.10.*

16 *(d) The board shall establish additional requirements it deems*
17 *necessary to ensure that the economic interests of the state and*
18 *the educational interests of the children of the state are protected.*

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

21 17074.26. The board shall adopt regulations to adjust the
22 per-pupil amounts set forth in Section ~~17074.14~~ 17074.10 for
23 modernization projects for school buildings that are 50 years old
24 or older based upon the higher costs associated with modernizing
25 older buildings.

26 SEC. 14. Section 17254 is added to the Education Code, to
27 read:

28 17254. (a) The State Department of Education, the Division
29 of the State Architect, the Office of Public School Construction,
30 and the Department of Toxic Substances Control shall convene
31 for purposes of developing an interagency plan to streamline the
32 school facility construction application, review, and audit processes
33 in order to reduce the time and improve the efficiency of the school
34 facilities construction process.

35 (b) The interagency plan developed pursuant to subdivision (a)
36 shall be submitted to the Legislature, in accordance with Section
37 9795 of the Government Code, on or before July 1, 2017.

38 (c) It is the intent of the Legislature that operative regulatory
39 language adopted by the State Allocation Board before the effective
40 date of this section be reviewed and revised before July 1, 2016,

1 to ensure that the School Facility Program is being implemented
2 in a manner that reduces duplicative processes for the review,
3 approval, and audit of school facility new construction and
4 modernization projects.

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

8 SEC. 15. Section 17592.70 of the Education Code is amended
9 to read:

10 17592.70. (a) There is hereby established the School Facilities
11 Needs Assessment Grant Program with the purpose to provide for
12 a one-time comprehensive assessment of school facilities needs.
13 The grant program shall be administered by the State Allocation
14 Board.

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

20 (2) For purposes of this section, schools ranked in deciles 1 to
21 3, inclusive, on the 2003 base API shall include any schools
22 determined by the department to meet either of the following:

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

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

25 (ii) Is operating in fiscal year ~~2004-05~~ 2004-05 and was
26 operating in fiscal year ~~2003-04~~ 2003-04 during the Standardized
27 Testing and Reporting (STAR) Program testing period.

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

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

32 (3) The department shall estimate an API score for any school
33 meeting the criteria of clauses (i) and (ii) of subparagraph (A) of
34 paragraph (2) and not meeting the criteria of clause (iii) of
35 subparagraph (A) of paragraph (2), using available testing scores
36 and any weighting or corrective factors it deems appropriate. The
37 department shall provide those API scores to the Office of Public
38 School Construction and post them on its *Internet* Web site within
39 30 days of the enactment of this section.

1 (4) For purposes of this section, schools ranked in deciles 1 to
2 3, inclusive, on the 2003 base API shall exclude any schools
3 determined by the department to be operated by county offices of
4 education pursuant to Section 56140.

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

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

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

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

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

20 (C) The pupil capacity of the school.

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

22 (E) The density of the school campus measured in pupils per
23 acre.

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

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

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

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

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

34 (K) The estimated costs for five years necessary to maintain
35 functionality of each instructional space to maintain health, safety,
36 and a suitable learning environment, as applicable, including
37 classroom, counseling areas, administrative space, libraries,
38 gymnasiums, multipurpose and dining space, and the accessibility
39 to those spaces.

40 (L) A list of necessary repairs.

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

6 (3) Use the assessment as the baseline for the facilities inspection
7 system required pursuant to subdivision—(e) (d) of Section
8 17070.75.

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

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

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

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

25
26 PART 70. KINDERGARTEN-UNIVERSITY PUBLIC
27 EDUCATION FACILITIES BOND ACT OF 2016

28
29 CHAPTER 1. GENERAL
30

31 101100. This part shall be known, and may be cited, as the
32 Kindergarten-University Public Education Facilities Bond Act of
33 2016.

34 101101. The incorporation of, or reference to, any provision
35 of California statutory law in this part includes all acts amendatory
36 thereof and supplementary thereto.

37 101102. (a) Bonds in the total amount of ____ dollars (\$____),
38 not including the amount of any refunding bonds issued in
39 accordance with Sections 101130, 101139, and 101159, or so much
40 thereof as is necessary, may be issued and sold to provide a fund

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

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

15
16 CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE

17
18 Article 1. Kindergarten Through Grade 12 School Facilities
19 Program Provisions

20
21 101110. The proceeds of bonds issued and sold pursuant to
22 Article 2 (commencing with Section 101120) shall be deposited
23 in the 2016 State School Facilities Fund established in the State
24 Treasury under subdivision (e) of Section 17070.40, and shall be
25 allocated by the State Allocation Board pursuant to this chapter.

26 101111. All moneys deposited in the 2016 State School
27 Facilities Fund for the purposes of this chapter shall be available
28 to provide aid to school districts, county superintendents of schools,
29 and county boards of education of the state in accordance with the
30 Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5
31 (commencing with Section 17070.10) of Part 10 of Division 1 of
32 Title 1), as set forth in Section 101112, to provide funds to repay
33 any money advanced or loaned to the 2016 State School Facilities
34 Fund under any act of the Legislature, together with interest
35 provided for in that act, and to reimburse the General Obligation
36 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
37 Government Code.

38 101112. (a) The proceeds from the sale of bonds, issued and
39 sold for the purposes of this chapter, shall be allocated in
40 accordance with the following schedule:

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

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

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

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

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

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

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

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

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

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

33 101113. The board shall assign priority for funding under this
34 chapter to applicant school districts that demonstrate participation
35 in a community-based effort to coordinate educational,
36 developmental, family, health, and other comprehensive services
37 by engaging in public and private partnerships with local public
38 entities and other nonprofit or private community partners. Criteria
39 that demonstrate this participation shall include all of the following:

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

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

11 (c) Participation in the State Community Schools Network.

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

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

17
18 Article 2. Kindergarten Through Grade 12 School Facilities
19 Fiscal Provisions
20

21 101120. (a) Of the total amount of bonds authorized to be
22 issued and sold pursuant to Chapter 1 (commencing with Section
23 101100), bonds in the amount of _____ dollars (\$____), not
24 including the amount of any refunding bonds issued in accordance
25 with Section 101130, or so much thereof as is necessary, may be
26 issued and sold to provide a fund to be used for carrying out the
27 purposes expressed in this chapter and to reimburse the General
28 Obligation Bond Expense Revolving Fund pursuant to Section
29 16724.5 of the Government Code. The bonds, when sold, shall be
30 and constitute a valid and binding obligation of the State of
31 California, and the full faith and credit of the State of California
32 is hereby pledged for the punctual payment of the principal of, and
33 interest on, the bonds as the principal and interest become due and
34 payable.

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

39 101121. The State School Building Finance Committee,
40 established by Section 15909 and composed of the Governor, the

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

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

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

31 101123. (a) Upon request of the State Allocation Board, the
32 State School Building Finance Committee shall determine whether
33 or not it is necessary or desirable to issue bonds authorized pursuant
34 to this chapter in order to fund the apportionments and, if so, the
35 amount of bonds to be issued and sold. Successive issues of bonds
36 may be authorized and sold to fund those apportionments
37 progressively, and it is not necessary that all of the bonds
38 authorized to be issued be sold at any one time.

39 (b) A request of the State Allocation Board pursuant to
40 subdivision (a) shall be supported by a statement of the

1 apportionments made and to be made for the purposes described
2 in Sections 101111 and 101112.

3 101124. There shall be collected each year and in the same
4 manner and at the same time as other state revenue is collected,
5 in addition to the ordinary revenues of the state, a sum in an amount
6 required to pay the principal of, and interest on, the bonds each
7 year. It is the duty of all officers charged by law with any duty in
8 regard to the collection of the revenue to do and perform each and
9 every act that is necessary to collect that additional sum.

10 101125. Notwithstanding Section 13340 of the Government
11 Code, there is hereby appropriated from the General Fund in the
12 State Treasury, for the purposes of this chapter, an amount that
13 will equal the total of the following:

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

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

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

31 101127. Notwithstanding any other provision of this chapter,
32 or of the State General Obligation Bond Law, if the Treasurer sells
33 bonds pursuant to this chapter that include a bond counsel opinion
34 to the effect that the interest on the bonds is excluded from gross
35 income for federal tax purposes, subject to designated conditions,
36 the Treasurer may maintain separate accounts for the investment
37 of bond proceeds and for the investment earnings on those
38 proceeds. The Treasurer may use or direct the use of those proceeds
39 or earnings to pay any rebate, penalty, or other payment required
40 under federal law or take any other action with respect to the

1 investment and use of those bond proceeds required or desirable
2 under federal law to maintain the tax-exempt status of those bonds
3 and to obtain any other advantage under federal law on behalf of
4 the funds of this state.

5 101128. For purposes of carrying out this chapter, the Director
6 of Finance may authorize the withdrawal from the General Fund
7 of an amount not to exceed the amount of the unsold bonds that
8 have been authorized by the State School Building Finance
9 Committee to be sold for the purpose of carrying out this chapter.
10 Any amounts withdrawn shall be deposited in the 2016 State
11 School Facilities Fund consistent with this chapter. Any money
12 made available under this section shall be returned to the General
13 Fund, plus an amount equal to the interest that the money would
14 have earned in the Pooled Money Investment Account, from
15 proceeds received from the sale of bonds for the purpose of
16 carrying out this chapter.

17 101129. All money deposited in the 2016 State School Facilities
18 Fund that is derived from premium and accrued interest on bonds
19 sold shall be reserved in the fund, and shall be available for transfer
20 to the General Fund as a credit to expenditures for bond interest.

21 101130. The bonds may be refunded in accordance with Article
22 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
23 Division 4 of Title 2 of the Government Code, which is a part of
24 the State General Obligation Bond Law. Approval by the voters
25 of the state for the issuance of the bonds described in this chapter
26 includes the approval of the issuance of any bonds issued to refund
27 any bonds originally issued under this chapter or any previously
28 issued refunding bonds.

29 101131. The Legislature hereby finds and declares that,
30 inasmuch as the proceeds from the sale of bonds authorized by
31 this chapter are not “proceeds of taxes” as that term is used in
32 Article XIII B of the California Constitution, the disbursement of
33 these proceeds is not subject to the limitations imposed by that
34 article.

1 CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES

2
3 Article 1. General

4
5 101132. (a) The 2016 California Community College Capital
6 Outlay Bond Fund is hereby established in the State Treasury for
7 deposit of funds from the proceeds of bonds issued and sold for
8 the purposes of this chapter.

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

14
15 Article 2. California Community College Facilities Program
16 Provisions

17
18 101133. (a) From the proceeds of bonds issued and sold
19 pursuant to Article 3 (commencing with Section 101134), the sum
20 of ____ dollars (\$____) shall be deposited in the 2016 California
21 Community College Capital Outlay Bond Fund for the purposes
22 of this article. When appropriated, these funds shall be available
23 for expenditure for the purposes of this article.

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

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

Article 3. California Community College Facilities Fiscal Provisions

101134. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101100), bonds in the total amount of _____ dollars (\$_____), not including the amount of any refunding bonds issued in accordance with Section 101139, 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 chapter 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) It is the intent of the Legislature that the California Community Colleges annually consider, as part of their annual capital outlay planning process, the inclusion of facilities that may be used by more than one segment of public higher education (intersegmental), and, that on or before May 15 of each year, those entities report their findings regarding inclusion of facilities for intersegmental use to the budget committees of each house of the Legislature.

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

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

(b) For purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2016

1 California Community College Capital Outlay Bond Fund is
2 designated as the “board” for projects funded pursuant to this
3 chapter.

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

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

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

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

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

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

38 101136.5. The board, as defined in subdivision (b) of Section
39 101134.5, may request the Pooled Money Investment Board to
40 make a loan from the Pooled Money Investment Account or any

1 other approved form of interim financing, in accordance with
2 Section 16312 of the Government Code, for the purpose of carrying
3 out this chapter. The amount of the request shall not exceed the
4 amount of the unsold bonds that the committee, by resolution, has
5 authorized to be sold for the purpose of carrying out this chapter.
6 The board, as defined in subdivision (b) of Section 101134.5, shall
7 execute any documents required by the Pooled Money Investment
8 Board to obtain and repay the loan. Any amounts loaned shall be
9 deposited in the fund to be allocated by the board in accordance
10 with this chapter.

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

25 101137.5. (a) For purposes of carrying out this chapter, the
26 Director of Finance may authorize the withdrawal from the General
27 Fund of an amount not to exceed the amount of the unsold bonds
28 that have been authorized by the Higher Education Facilities
29 Finance Committee to be sold for the purpose of carrying out this
30 chapter. Any amounts withdrawn shall be deposited in the 2016
31 California Community College Capital Outlay Bond Fund
32 consistent with this chapter. Any money made available under this
33 section shall be returned to the General Fund, plus an amount equal
34 to the interest that the money would have earned in the Pooled
35 Money Investment Account, from proceeds received from the sale
36 of bonds for the purpose of carrying out this chapter.

37 (b) Any request forwarded to the Legislature and the Department
38 of Finance for funds from this bond issue for expenditure for the
39 purposes described in this chapter by the California Community
40 Colleges shall be accompanied by the five-year capital outlay plan

1 that reflects the needs and priorities of the community college
2 system and is prioritized on a statewide basis. Requests shall
3 include a schedule that prioritizes the seismic retrofitting needed
4 to significantly reduce, in the judgment of the particular college,
5 seismic hazards in buildings identified as high priority by the
6 college.

7 101138. All money deposited in the 2016 California
8 Community College Capital Outlay Bond Fund that is derived
9 from premium and accrued interest on bonds sold shall be reserved
10 in the fund, and shall be available for transfer to the General Fund
11 as a credit to expenditures for bond interest.

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

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

26
27 CHAPTER 4. UNIVERSITY FACILITIES

28
29 Article 1. General

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

35 (b) The 2016 University Capital Outlay Bond Fund is hereby
36 established in the State Treasury for deposit of funds from the
37 proceeds of bonds issued and sold for the purposes of this chapter.

38 (c) The Higher Education Facilities Finance Committee
39 established pursuant to Section 67353 is hereby authorized to create
40 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 University of California, the Hastings College of the Law, and
3 the California State University.

4

5 Article 2. Facilities Program Provisions Applicable to the
6 University of California and the Hastings College of the Law

7

8 101141. (a) From the proceeds of bonds issued and sold
9 pursuant to Article 4 (commencing with Section 101150), the sum
10 of ____ dollars (\$____) shall be deposited in the 2016 University
11 Capital Outlay Bond Fund for the purposes of this article. When
12 appropriated, these funds shall be available for expenditure for the
13 purposes of this article.

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

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

29

30 Article 3. Facilities Program Provisions Applicable to the
31 California State University

32

33 101142. (a) From the proceeds of bonds issued and sold
34 pursuant to Article 4 (commencing with Section 101150), the sum
35 of ____ dollars (\$____) shall be deposited in the 2016 University
36 Capital Outlay Bond Fund for the purposes of this article. When
37 appropriated, these funds shall be available for expenditure for the
38 purposes of this article.

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

1 (c) Proceeds from the sale of bonds issued and sold for the
2 purposes of this article may be used to fund construction on
3 existing campuses, including the construction of buildings and the
4 acquisition of related fixtures, construction of facilities that may
5 be used by more than one segment of public higher education
6 (intersegmental), the renovation and reconstruction of facilities,
7 site acquisition, the equipping of new, renovated, or reconstructed
8 facilities, which equipment shall have an average useful life of 10
9 years; and to provide funds for the payment of preconstruction
10 costs, including, but not limited to, preliminary plans and working
11 drawings for facilities of the California State University.
12

13 Article 4. University Facilities Fiscal Provisions
14

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

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

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

1 101151. (a) The bonds authorized by this chapter shall be
2 prepared, executed, issued, sold, paid, and redeemed as provided
3 in the State General Obligation Bond Law (Chapter 4 (commencing
4 with Section 16720) of Part 3 of Division 4 of Title 2 of the
5 Government Code), and all of the provisions of that law, except
6 Section 16727 of the Government Code to the extent that it
7 conflicts with this part, apply to the bonds and to this chapter and
8 are hereby incorporated into this chapter as though set forth in full
9 within this chapter.

10 (b) For purposes of the State General Obligation Bond Law,
11 each state agency administering an appropriation of the 2016
12 University Capital Outlay Bond Fund is designated as the “board”
13 for projects funded pursuant to this chapter.

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

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

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

1 101154. Notwithstanding Section 13340 of the Government
2 Code, there is hereby appropriated from the General Fund in the
3 State Treasury, for the purposes of this chapter, an amount that
4 will equal the total of the following:

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

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

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

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

37 101157. (a) For purposes of carrying out this chapter, the
38 Director of Finance may authorize the withdrawal from the General
39 Fund of an amount not to exceed the amount of the unsold bonds
40 that have been authorized by the Higher Education Facilities

1 Finance Committee to be sold for the purpose of carrying out this
2 chapter. Any amounts withdrawn shall be deposited in the 2016
3 University Capital Outlay Bond Fund consistent with this chapter.
4 Any money made available under this section shall be returned to
5 the General Fund, plus an amount equal to the interest that the
6 money would have earned in the Pooled Money Investment
7 Account, from proceeds received from the sale of bonds for the
8 purpose of carrying out this chapter.

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

19 101158. All money deposited in the 2016 University Capital
20 Outlay Bond Fund that is derived from premium and accrued
21 interest on bonds sold shall be reserved in the fund, and shall be
22 available for transfer to the General Fund as a credit to expenditures
23 for bond interest.

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

32 101160. The Legislature hereby finds and declares that,
33 inasmuch as the proceeds from the sale of bonds authorized by
34 this chapter are not “proceeds of taxes” as that term is used in
35 Article XIII B of the California Constitution, the disbursement of
36 these proceeds is not subject to the limitations imposed by that
37 article.

38 SEC. 17. The Secretary of State shall submit Section 16 of this
39 act to the voters at the November 8, 2016, statewide general
40 election.

1 SEC. 18. The provisions of this act are severable. If any
2 provision of this act or its application is held invalid, that invalidity
3 shall not affect other provisions or applications that can be given
4 effect without the invalid provision or application.

5 SEC. 19. Sections 1 to 13, inclusive, and Sections 15 and 16
6 of this act shall become operative only if the voters approve the
7 Kindergarten-University Public Education Facilities Bond Act of
8 2016, as set forth in Section 16 of this act.

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