

AMENDED IN SENATE MARCH 19, 2015

SENATE BILL

No. 114

Introduced by Senator Liu

January 13, 2015

An act to amend Sections 17070.15, 17070.40, 17070.75, 17072.35, 17074.25, 17074.26, 17077.42, and 17592.70 of, to add Sections 17070.78, 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 amended, Liu. Education facilities: ~~Kindergarten-University~~ *Kindergarten Through Grade 12* 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 require a school district, as a condition for participation in the school facilities program, to certify that it has a long-range school facilities master plan that is consistent with the regional sustainable communities strategy, as specified.

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 revise the provisions for the funding of joint-use facilities to allow an additional exemption from a general requirement that a joint-use partner contribute to at least 25% of eligible project costs, as specified. This additional exemption would apply if the joint-use agreement specifies that the joint-use partner will provide 100% of the operational costs of the joint-use project for a term of no less than 10 years.

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, *as specified*. The bill would require that this interagency plan be submitted to the Legislature on or before July 1, ~~2017~~. 2016.

(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 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~~ *Kindergarten Through Grade 12* 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, *and charter schools*, the ~~California Community Colleges, the University of California, the Hastings College of the Law, and the California State University~~ *schools* 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~~ *Kindergarten Through Grade 12* 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: 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.

- 1 (b) “Attendance area” means the geographical area serving an
2 existing high school and those junior high schools and elementary
3 schools included therein.
 - 4 (c) “Board” means the State Allocation Board as established by
5 Section 15490 of the Government Code.
 - 6 (d) “Committee” means the State School Building Finance
7 Committee established pursuant to Section 15909.
 - 8 (e) “County fund” means a county school facilities fund
9 established pursuant to Section 17070.43.
 - 10 (f) “Department” means the Department of General Services.
 - 11 (g) “Fund” means the applicable 1998 State School Facilities
12 Fund, the 2002 State School Facilities Fund, the 2004 State School
13 Facilities Fund, the 2006 State School Facilities Fund, or the 2016
14 State School Facilities Fund, established pursuant to Section
15 17070.40.
 - 16 (h) “Good repair” has the same meaning as specified in
17 subdivision (d) of Section 17002.
 - 18 (i) “Modernization” means any modification or replacement of
19 a permanent structure that is at least 25 years old, or, in the case
20 of a portable classroom, that is at least 20 years old, that will
21 enhance the ability of the structure to achieve educational purposes.
 - 22 (j) “Portable classroom” means a classroom building of one or
23 more stories that is designed and constructed to be relocatable and
24 transportable over public streets, and with respect to a single story
25 portable classroom, is designed and constructed for relocation
26 without the separation of the roof or floor from the building and
27 when measured at the most exterior walls, has a floor area not in
28 excess of 2,000 square feet.
 - 29 (k) “Property” includes all property, real, personal or mixed,
30 tangible or intangible, or any interest therein necessary or desirable
31 for carrying out the purposes of this chapter.
 - 32 (l) “School building capacity” means the capacity of a school
33 building to house pupils.
 - 34 (m) “School district” means a school district or a county office
35 of education. For purposes of determining eligibility under this
36 chapter, “school district” may also mean a high school attendance
37 area.
- 38 SEC. 2. Section 17070.40 of the Education Code is amended
39 to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 ~~SEC. 3. Section 17070.75 of the Education Code is amended~~
24 ~~to read:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

3 *SEC. 3. Section 17070.75 of the Education Code is amended*
4 *to read:*

5 17070.75. (a) ~~The~~*As a condition for participation in the school*
6 *facilities program, the board shall require the school district to*
7 *make all necessary repairs, renewals, and replacements to ensure*
8 *that a project is at all times maintained in good repair, working*
9 *order, and condition. All costs incurred for this purpose shall be*
10 *borne by the school district.*

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

15 (1) Establish a restricted account within the general fund of the
16 school district for the exclusive purpose of providing moneys for
17 ongoing and major maintenance of school buildings, according
18 the highest priority to funding for the purposes set forth in
19 subdivision (a).

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

32 (B) Notwithstanding subparagraph (A), for the 2004–05 fiscal
33 year only, an applicant school district shall deposit into the account
34 established pursuant to paragraph (1), no less than 2 percent of the
35 total general fund expenditures of the school district, including
36 other financing uses, for the fiscal year. The annual deposit to the
37 account in excess of 1 ½ percent of the school district general fund
38 budget for the 2004–05 fiscal year may count towards the amount
39 that a school district is required to contribute in order to receive
40 apportionments from the State School Deferred Maintenance Fund

1 pursuant to Section 17584 to the extent that those funds are used
2 for purposes that qualify for funding under that section.

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

12 (D) This paragraph applies only to the following school districts:

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

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

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

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

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

33 (d) For purposes of calculating a county office of education
34 requirement pursuant to this section, the 3 percent maintenance
35 requirement shall be based upon the county office of education
36 general fund less any restricted accounts.

37 (e) As a condition of participation in the school facilities
38 program or the receipt of funds pursuant to Section 17582, for a
39 fiscal year after the 2004–05 fiscal year, a school district shall

1 establish a facilities inspection system to ensure that each of its
2 schools is maintained in good repair.

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

5 *SEC. 4. Section 17070.78 is added to the Education Code, to*
6 *read:*

7 *17070.78. As a condition for participation in the school*
8 *facilities program, a school district shall certify that it has a*
9 *long-range school facilities master plan and that the master plan*
10 *is consistent with the regional sustainable communities strategy*
11 *established pursuant to Section 65080 of the Government Code.*

12 ~~SEC. 4.~~

13 *SEC. 5. Section 17070.99 of the Education Code is repealed.*

14 ~~SEC. 5.~~

15 *SEC. 6. Section 17071.15 is added to the Education Code, to*
16 *read:*

17 *17071.15. Notwithstanding Section 17071.10, the board shall*
18 *require a school district that elects to participate in the new*
19 *construction program to conduct an inventory of existing facilities*
20 *and submit this information to the board, as prescribed by the*
21 *board, for purposes of maintaining a statewide school facilities*
22 *inventory.*

23 ~~SEC. 6.~~

24 *SEC. 7. Section 17071.33 of the Education Code is repealed.*

25 ~~SEC. 7.~~

26 *SEC. 8. Section 17071.35 of the Education Code is repealed.*

27 ~~SEC. 8.~~

28 *SEC. 9. Section 17071.40 of the Education Code is repealed.*

29 ~~SEC. 9.~~

30 *SEC. 10. 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-performanee~~
 14 *high-performance* schools. A grant for new construction may be
 15 used for seismic mitigation purposes and for related design, study,
 16 and testing costs.

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

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

27 ~~SEC. 10.~~

28 *SEC. 11.* Section 17072.40 is added to the Education Code, to
 29 read:

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

1 environment that supports and enhances the educational delivery
2 process.

3 ~~SEC. 11.~~

4 *SEC. 12.* Section 17073.16 is added to the Education Code, to
5 read:

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

11 ~~SEC. 12.~~

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

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

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

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

39 (B) Seismic mitigation purposes and related design, study, and
40 testing costs.

1 (3) An applicant that receives a modernization apportionment
 2 shall ensure that the project incorporates designs and materials
 3 that promote the efficient use of energy and water, the maximum
 4 use of natural lighting and indoor air quality, the use of recycled
 5 materials and materials that emit a minimum of toxic substances,
 6 the use of acoustics conducive to teaching and learning, and other
 7 characteristics of high-performance schools.

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

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

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

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

22 ~~SEC. 13.~~

23 *SEC. 14.* Section 17074.26 of the Education Code is amended
 24 to read:

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

29 *SEC. 15.* *Section 17077.42 of the Education Code is amended*
 30 *to read:*

31 17077.42. In order to be approved for a grant under this article,
 32 the applicant *school* district shall demonstrate that it has complied
 33 with all of the following:

34 (a) The school district has entered into a joint-use agreement
 35 with a governmental agency, public community college, public
 36 college or public university, or a nonprofit organization approved
 37 by the board.

38 (b) The joint-use agreement specifies the method of sharing
 39 capital and operating costs, specifies relative responsibilities for

1 the operation and staffing of the facility, and specifies the manner
2 in which the safety of the pupils will be ensured.

3 (c) The joint-use agreement specifies the amount of the
4 contribution to be made by the school district and the joint-use
5 partner toward the 50-percent local share of eligible project costs.
6 The contribution made by a joint-use partner shall be no less than
7 25 percent of eligible project costs, unless ~~the~~ *either of the*
8 *following conditions applies:*

9 (1) The school district has passed a local bond ~~which~~ *that*
10 specifies that proceeds of sale of the bonds are to be used for the
11 joint-use project, in which case the school district may opt to
12 provide up to the full 50-percent local share of eligible costs.

13 (2) *The joint-use agreement specifies that the joint-use partner*
14 *will provide 100 percent of the operational costs for the joint-use*
15 *project for a term of no less than 10 years.*

16 (d) The school district demonstrates that the facility will be used
17 to the maximum extent possible for both school and community
18 purposes, or both school and higher education purposes, as
19 applicable.

20 (e) (1) The project application qualifies for funding under
21 paragraph (1) of subdivision (b) of Section 17077.40 and the school
22 district has received all approvals necessary for apportionment
23 under this chapter.

24 (2) The project qualifies for funding under paragraph (2) or (3)
25 of subdivision (b) of Section 17077.40 and the school district has
26 completed preliminary plans for the project and has received State
27 Department of Education approval of the plans.

28 ~~SEC. 14.~~

29 *SEC. 16.* Section 17254 is added to the Education Code, to
30 read:

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

38 (b) The interagency plan developed pursuant to subdivision (a)
39 shall *identify a single entity within the State Department of*
40 *Education to act as a full-service agency and to assist school*

1 *districts in navigating the school facilities process. The interagency*
 2 *plan shall* be submitted to the Legislature, in accordance with
 3 Section 9795 of the Government Code, on or before July 1, ~~2017.~~
 4 ~~2016.~~

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

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

15 ~~SEC. 15.~~

16 *SEC. 17.* Section 17592.70 of the Education Code is amended
 17 to read:

18 17592.70. (a) There is hereby established the School Facilities
 19 Needs Assessment Grant Program with the purpose to provide for
 20 a one-time comprehensive assessment of school ~~facilities~~ *facility*
 21 needs. The grant program shall be administered by the State
 22 Allocation Board.

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

28 (2) For purposes of this section, schools ranked in deciles 1 to
 29 3, inclusive, on the 2003 base API shall include any schools
 30 determined by the department to meet either of the following:

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

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

33 (ii) Is operating in ~~fiscal year 2004–05~~ *the 2004–05 fiscal year*
 34 and was operating in ~~fiscal year 2003–04~~ *the 2003–04 fiscal year*
 35 during the Standardized Testing and Reporting (STAR) Program
 36 testing period.

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

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

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

9 (4) For purposes of this section, schools ranked in deciles 1 to
10 3, inclusive, on the 2003 base API shall exclude any schools
11 determined by the department to be operated by county offices of
12 education pursuant to Section 56140.

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

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

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

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

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

28 (C) The pupil capacity of the school.

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

30 (E) The density of the school campus measured in pupils per
31 acre.

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

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

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

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

38 (J) The useful life remaining of all major building systems for
39 each structure housing instructional space, including, but not

1 limited to, sewer, water, gas, electrical, roofing, and fire and life
2 safety protection.

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

9 (L) A list of necessary repairs.

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

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

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

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

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

31 ~~SEC. 16.~~

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

1 PART 70. ~~KINDERGARTEN-UNIVERSITY-KINDERGARTEN~~
2 *THROUGH GRADE 12* PUBLIC EDUCATION FACILITIES
3 BOND ACT OF 2016

4
5 CHAPTER 1. GENERAL
6

7 101100. This part shall be known, and may be cited, as the
8 ~~Kindergarten-University~~ *Kindergarten Through Grade 12* Public
9 Education Facilities Bond Act of 2016.

10 101101. The incorporation of, or reference to, any provision
11 of California statutory law in this part includes all acts amendatory
12 thereof and supplementary thereto.

13 101102. (a) Bonds in the total amount of ____ dollars (\$____),
14 not including the amount of any refunding bonds issued in
15 accordance with ~~Sections 101130, 101139, and 101159~~, *Section*
16 *101130*, or so much thereof as is necessary, may be issued and
17 sold to provide a fund to be used for carrying out the purposes
18 expressed in this part and to reimburse the General Obligation
19 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
20 Government Code. The bonds, when sold, shall be and constitute
21 a valid and binding obligation of the State of California, and the
22 full faith and credit of the State of California is hereby pledged
23 for the punctual payment of the principal of, and interest on, the
24 bonds as the principal and interest become due and payable.

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

31
32 CHAPTER 2. ~~KINDERGARTEN THROUGH 12TH GRADE~~ *GRADE*

33 12
34

35 Article 1. Kindergarten Through Grade 12 School Facilities
36 Program Provisions
37

38 101110. The proceeds of bonds issued and sold pursuant to
39 Article 2 (commencing with Section 101120) shall be deposited
40 in the 2016 State School Facilities Fund established in the State

1 Treasury under subdivision (e) of Section 17070.40, and shall be
2 allocated by the State Allocation Board pursuant to this chapter.

3 101111. All moneys deposited in the 2016 State School
4 Facilities Fund for the purposes of this chapter shall be available
5 to provide aid to school districts, county superintendents of schools,
6 and county boards of education of the state in accordance with the
7 Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5
8 (commencing with Section 17070.10) of Part 10 of Division 1 of
9 Title 1), as set forth in Section 101112, to provide funds to repay
10 any money advanced or loaned to the 2016 State School Facilities
11 Fund under any act of the Legislature, together with interest
12 provided for in that act, and to reimburse the General Obligation
13 Bond Expense Revolving Fund pursuant to Section 16724.5 of the
14 Government Code.

15 101112. (a) The proceeds from the sale of bonds, issued and
16 sold for the purposes of this chapter, shall be allocated in
17 accordance with the following schedule:

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

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

25 (3) Of the amount allocated in this subdivision, up to 5 percent
26 shall be available for providing facilities to charter schools pursuant
27 to Article 12 (commencing with Section 17078.52) of Chapter
28 12.5 of Part 10 of Division 1 of Title 1.

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

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

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

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

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

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

4 (c) Funds allocated pursuant to paragraph (1) of subdivision (a)
5 may also be 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 101113. The board shall assign priority for funding under this
11 chapter to applicant school districts that demonstrate participation
12 in a community-based effort to coordinate educational,
13 developmental, family, health, and other comprehensive services
14 by engaging in public and private partnerships with local public
15 entities and other nonprofit or private community partners. Criteria
16 that demonstrate this participation shall include all of the following:

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

20 (b) Agreements for joint use and operations of school facilities,
21 *in accordance with the requirements of subdivision (c) of Section*
22 *17077.42*, that provide for extended hours of use for pupils,
23 families, and the community, integration of libraries, early
24 childhood education, child care centers, senior centers, outdoor
25 recreation or environmental education, arts education, and career
26 technical education and adult education offerings for pupils and
27 community members.

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

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

31 (e) Certification that the district’s school facilities master plan
32 is consistent with the regional sustainable communities strategy
33 established pursuant to Section 65080 of the Government Code.

34

35 Article 2. Kindergarten Through Grade 12 School Facilities
36 Fiscal Provisions
37

38 101120. (a) Of the total amount of bonds authorized to be
39 issued and sold pursuant to Chapter 1 (commencing with Section
40 101100), bonds in the amount of ____ dollars (\$____), not

1 including the amount of any refunding bonds issued in accordance
2 with Section 101130, or so much thereof as is necessary, may be
3 issued and sold to provide a fund to be used for carrying out the
4 purposes expressed in this chapter and to reimburse the General
5 Obligation Bond Expense Revolving Fund pursuant to Section
6 16724.5 of the Government Code. The bonds, when sold, shall be
7 and constitute a valid and binding obligation of the State of
8 California, and the full faith and credit of the State of California
9 is hereby pledged for the punctual payment of the principal of, and
10 interest on, the bonds as the principal and interest become due and
11 payable.

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

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

36 101122. (a) The bonds authorized by this chapter shall be
37 prepared, executed, issued, sold, paid, and redeemed as provided
38 in the State General Obligation Bond Law (Chapter 4 (commencing
39 with Section 16720) of Part 3 of Division 4 of Title 2 of the
40 Government Code), and all of the provisions of that law, except

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

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

8 101123. (a) Upon request of the State Allocation Board, the
9 State School Building Finance Committee shall determine whether
10 or not it is necessary or desirable to issue bonds authorized pursuant
11 to this chapter in order to fund the apportionments and, if so, the
12 amount of bonds to be issued and sold. Successive issues of bonds
13 may be authorized and sold to fund those apportionments
14 progressively, and it is not necessary that all of the bonds
15 authorized to be issued be sold at any one time.

16 (b) A request of the State Allocation Board pursuant to
17 subdivision (a) shall be supported by a statement of the
18 apportionments made and to be made for the purposes described
19 in Sections 101111 and 101112.

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

27 101125. Notwithstanding Section 13340 of the Government
28 Code, there is hereby appropriated from the General Fund in the
29 State Treasury, for the purposes of this chapter, an amount that
30 will equal the total of the following:

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

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

36 101126. The State Allocation Board may request the Pooled
37 Money Investment Board to make a loan from the Pooled Money
38 Investment Account or any other approved form of interim
39 financing, in accordance with Section 16312 of the Government
40 Code, for the purpose of carrying out this chapter. The amount of

1 the request shall not exceed the amount of the unsold bonds that
2 the committee, by resolution, has authorized to be sold for the
3 purpose of carrying out this chapter. The board shall execute any
4 documents required by the Pooled Money Investment Board to
5 obtain and repay the loan. Any amounts loaned shall be deposited
6 in the fund to be allocated by the board in accordance with this
7 chapter.

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

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

34 101129. All money deposited in the 2016 State School Facilities
35 Fund that is derived from premium and accrued interest on bonds
36 sold shall be reserved in the fund, and shall be available for transfer
37 to the General Fund as a credit to expenditures for bond interest.

38 101130. The bonds may be refunded in accordance with Article
39 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
40 Division 4 of Title 2 of the Government Code, which is a part of

1 the State General Obligation Bond Law. Approval by the voters
2 of the state for the issuance of the bonds described in this chapter
3 includes the approval of the issuance of any bonds issued to refund
4 any bonds originally issued under this chapter or any previously
5 issued refunding bonds.

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

12
13 ~~CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES~~

14
15 ~~Article 1. General~~

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

21 ~~(b) 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 California Community Colleges.~~

26
27 ~~Article 2. California Community College Facilities Program~~
28 ~~Provisions~~

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

36 ~~(b) The purposes of this article include assisting in meeting the~~
37 ~~capital outlay financing needs of the California Community~~
38 ~~Colleges.~~

39 ~~(c) Proceeds from the sale of bonds issued and sold for the~~
40 ~~purposes of this article may be used to fund construction on~~

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

10

11 Article 3. California Community College Facilities Fiscal
 12 Provisions

13

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

28

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

36

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
 necessary to service expenditures required by the apportionments.

1 ~~101134.5. (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 ~~California Community College Capital Outlay Bond Fund is~~
13 ~~designated as the “board” for projects funded pursuant to this~~
14 ~~chapter.~~

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

20 ~~101135. 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 ~~101135.5. 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 101136.—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 101137.5,
9 appropriated without regard to fiscal years.

10 101136.5.— The board, as defined in subdivision (b) of Section
11 101134.5, may request the Pooled Money Investment Board to
12 make a loan from the Pooled Money Investment Account or any
13 other approved form of interim financing, in accordance with
14 Section 16312 of the Government Code, for the purpose of carrying
15 out this chapter. The amount of the request shall not exceed the
16 amount 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 101134.5, 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 101137.—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 101137.5.— (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 California Community College Capital Outlay Bond Fund
4 consistent with this chapter. Any money made available under this
5 section shall be returned to the General Fund, plus an amount equal
6 to the interest that the money would have earned in the Pooled
7 Money Investment Account, from proceeds received from the sale
8 of bonds for the 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 California Community
12 Colleges shall be accompanied by the five-year capital outlay plan
13 that reflects the needs and priorities of the community college
14 system and is prioritized on a statewide basis. Requests shall
15 include a schedule that prioritizes the seismic retrofitting needed
16 to significantly reduce, in the judgment of the particular college,
17 seismic hazards in buildings identified as high priority by the
18 college.

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

24 101139.— 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 101139.5.— 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.

CHAPTER 4. UNIVERSITY FACILITIES

Article 1. General

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

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

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

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

101141. (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 2016 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 University of California and 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

1 costs, including, but not limited to, preliminary plans and working
2 drawings for facilities of the University of California and the
3 Hastings College of the Law.

4
5 Article 3. Facilities Program Provisions Applicable to the
6 California State University
7

8 101142. (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 California State University.

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

27
28 Article 4. University Facilities Fiscal Provisions
29

30 101150. (a) Of the total amount of bonds authorized to be
31 issued and sold pursuant to Chapter 1 (commencing with Section
32 101100), bonds in the amount of _____ dollars (\$_____), not
33 including the amount of any refunding bonds issued in accordance
34 with Section 101159, or so much thereof as is necessary, may be
35 issued and sold to provide a fund to be used for carrying out the
36 purposes expressed in this chapter and to reimburse the General
37 Obligation Bond Expense Revolving Fund pursuant to Section
38 16724.5 of the Government Code. The bonds, when sold, shall be
39 and constitute a valid and binding obligation of the State of
40 California, and the full faith and credit of the State of California

1 is hereby pledged for the punctual payment of the principal of, and
2 interest on, the bonds as the principal and interest become due and
3 payable.

4 (b) ~~It is the intent of the Legislature that the University of~~
5 ~~California and the California State University annually consider,~~
6 ~~as part of their annual capital outlay planning process, the inclusion~~
7 ~~of facilities that may be used by more than one segment of public~~
8 ~~higher education (intersegmental), and, that on or before May 15~~
9 ~~of each year, those entities report their findings regarding inclusion~~
10 ~~of facilities for intersegmental use to the budget committees of~~
11 ~~each house of the Legislature.~~

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

16 101151. (a) ~~The bonds authorized by this chapter shall be~~
17 ~~prepared, executed, issued, sold, paid, and redeemed as provided~~
18 ~~in the State General Obligation Bond Law (Chapter 4 (commencing~~
19 ~~with Section 16720) of Part 3 of Division 4 of Title 2 of the~~
20 ~~Government Code), and all of the provisions of that law, except~~
21 ~~Section 16727 of the Government Code to the extent that it~~
22 ~~conflicts with this part, apply to the bonds and to this chapter and~~
23 ~~are hereby incorporated into this chapter as though set forth in full~~
24 ~~within this chapter.~~

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

29 (e) ~~The proceeds of the bonds issued and sold pursuant to this~~
30 ~~chapter shall be available for the purpose of funding aid to the~~
31 ~~University of California, the Hastings College of the Law, and the~~
32 ~~California State University, for the construction on existing or new~~
33 ~~campuses, and their respective off-campus centers and joint use~~
34 ~~and intersegmental facilities, as set forth in this chapter.~~

35 101152. ~~The Higher Education Facilities Finance Committee~~
36 ~~established pursuant to Section 67353 shall authorize the issuance~~
37 ~~of bonds under this chapter only to the extent necessary to fund~~
38 ~~the apportionments for the purposes described in this chapter that~~
39 ~~are expressly authorized by the Legislature in the annual Budget~~
40 ~~Act. Pursuant to that legislative direction, the committee shall~~

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

8 101153. ~~There shall be collected each year and in the same~~
9 ~~manner and at the same time as other state revenue is collected,~~
10 ~~in addition to the ordinary revenues of the state, a sum in an amount~~
11 ~~required to pay the principal of, and interest on, the bonds each~~
12 ~~year. It is the duty of all officers charged by law with any duty in~~
13 ~~regard to the collection of the revenue to do and perform each and~~
14 ~~every act that is necessary to collect that additional sum.~~

15 101154. ~~Notwithstanding Section 13340 of the Government~~
16 ~~Code, there is hereby appropriated from the General Fund in the~~
17 ~~State Treasury, for the purposes of this chapter, an amount that~~
18 ~~will equal the total of the following:~~

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

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

24 101155. ~~The board, as defined in subdivision (b) of Section~~
25 ~~101151, may request the Pooled Money Investment Board to make~~
26 ~~a loan from the Pooled Money Investment Account or any other~~
27 ~~approved form of interim financing, in accordance with Section~~
28 ~~16312 of the Government Code, for the purpose of carrying out~~
29 ~~this chapter. The amount of the request shall not exceed the amount~~
30 ~~of the unsold bonds that the committee, by resolution, has~~
31 ~~authorized to be sold for the purpose of carrying out this chapter.~~
32 ~~The board, as defined in subdivision (b) of Section 101151, shall~~
33 ~~execute any documents required by the Pooled Money Investment~~
34 ~~Board to obtain and repay the loan. Any amounts loaned shall be~~
35 ~~deposited in the fund to be allocated by the board in accordance~~
36 ~~with this chapter.~~

37 101156. ~~Notwithstanding any other provision of this chapter,~~
38 ~~or of the State General Obligation Bond Law, if the Treasurer sells~~
39 ~~bonds pursuant to this chapter that include a bond counsel opinion~~
40 ~~to the effect that the interest on the bonds is excluded from gross~~

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

11 ~~101157. (a) For purposes of carrying out this chapter, the~~
12 ~~Director of Finance may authorize the withdrawal from the General~~
13 ~~Fund of an amount not to exceed the amount of the unsold bonds~~
14 ~~that have been authorized by the Higher Education Facilities~~
15 ~~Finance Committee to be sold for the purpose of carrying out this~~
16 ~~chapter. Any amounts withdrawn shall be deposited in the 2016~~
17 ~~University Capital Outlay Bond Fund consistent with this chapter.~~
18 ~~Any money made available under this section shall be returned to~~
19 ~~the General Fund, plus an amount equal to the interest that the~~
20 ~~money would have earned in the Pooled Money Investment~~
21 ~~Account, from proceeds received from the sale of bonds for the~~
22 ~~purpose of carrying out this chapter.~~

23 ~~(b) Any request forwarded to the Legislature and the Department~~
24 ~~of Finance for funds from this bond issue for expenditure for the~~
25 ~~purposes described in this chapter by the University of California,~~
26 ~~the Hastings College of the Law, or the California State University~~
27 ~~shall be accompanied by the five-year capital outlay plan. Requests~~
28 ~~forwarded by a university or college shall include a schedule that~~
29 ~~prioritizes the seismic retrofitting needed to significantly reduce,~~
30 ~~in the judgment of the particular university or college, seismic~~
31 ~~hazards in buildings identified as high priority by the university~~
32 ~~or college.~~

33 ~~101158. All money deposited in the 2016 University Capital~~
34 ~~Outlay Bond Fund that is derived from premium and accrued~~
35 ~~interest on bonds sold shall be reserved in the fund, and shall be~~
36 ~~available for transfer to the General Fund as a credit to expenditures~~
37 ~~for bond interest.~~

38 ~~101159. The bonds may be refunded in accordance with Article~~
39 ~~6 (commencing with Section 16780) of Chapter 4 of Part 3 of~~
40 ~~Division 4 of Title 2 of the Government Code, which is a part of~~

1 the State General Obligation Bond Law. Approval by the voters
2 of the state for the issuance of the bonds described in this chapter
3 includes the approval of the issuance of any bonds issued to refund
4 any bonds originally issued under this chapter or any previously
5 issued refunding bonds.

6 ~~101160. The Legislature hereby finds and declares that,~~
7 ~~inasmuch as the proceeds from the sale of bonds authorized by~~
8 ~~this chapter are not “proceeds of taxes” as that term is used in~~
9 ~~Article XIII B of the California Constitution, the disbursement of~~
10 ~~these proceeds is not subject to the limitations imposed by that~~
11 ~~article.~~

12 ~~SEC. 17.~~

13 ~~SEC. 19.~~ The Secretary of State shall submit Section ~~16~~ 18 of
14 this act to the voters at the November 8, 2016, statewide general
15 election.

16 ~~SEC. 18.~~

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

21 ~~SEC. 19.~~

22 ~~SEC. 21.~~ Sections 1 to ~~13~~, 15, inclusive, and Sections ~~15 and~~
23 ~~16 17 and 18~~ of this act shall become operative only if the voters
24 approve the ~~Kindergarten-University~~ *Kindergarten Through Grade*
25 *12* Public Education Facilities Bond Act of 2016, as set forth in
26 Section ~~16~~ 18 of this act.