Assembly Bill No. 404

CHAPTER 483

An act to amend Section 41472 of the Education Code, relating to school funding.

[Approved by Governor October 1, 1995. Filed with Secretary of State October 2, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

AB 404, Bates. School funding: West Contra Costa Unified School District.

Existing law sets forth a consolidated loan obligation for the West Contra Costa Unified School District with a loan payment schedule.

This bill would authorize the Director of the Department of Finance, upon request of the Superintendent of Public Instruction, to amend the repayment schedule if the director concludes that the amendment is warranted and is in the best interests of both the state and the West Contra Costa Unified School District education program. Upon that determination, the director would be required to notify the Joint Legislative Budget Committee of the change, as specified. Any amendment of the repayment schedule would defer the unpaid portion of the repayment to the earliest fiscal year in which no other repayment is scheduled. The bill would provide that interest shall accrue on the unpaid portion of the repayment, as specified.

The bill would provide that if the school district is able to sell properties in advance of any of the repayment obligations on the schedule, the scheduled interest cost shall be reduced in accordance with any prepayments that are made. If the repayment schedule is amended, the district would be required to use all of the proceeds from the properties sold as prepayment on the schedule.

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

SECTION 1. Section 41472 of the Education Code is amended to read:

41472. (a) The school district may prepay its loan obligation without incurring any prepayment penalties.

(b) The minimum payment on the consolidated debt shall be determined according to the following payment schedule:

Due Date	Payment Amount
2/1/93	$ 0

2/1/94	0
2/1/95	5,570,443
2/1/96	1,870,443
2/1/97	1,870,443
2/1/98	5,570,443
2/1/99	1,870,443
2/1/00	1,870,443
2/1/01	5,570,443
2/1/02	1,870,443
2/1/03	1,870,443
2/1/04	5,570,443
2/1/05	1,870,443
2/1/06	1,870,443
2/1/07	5,267,705
	$42,513,021

(c) If payment is not made within 60 days after the scheduled date, the Controller shall pay the defaulted loan payment of principal and interest by withholding that amount from the next available payment that would otherwise be made to the county treasurer on behalf of the district pursuant to Section 14041 of the Education Code. However, subject to the approval of the Department of Finance, the amount withheld may be in monthly amounts as determined by an agreement between the West Contra Costa Unified School District and the Controller during the period beginning with the next available apportionment through the month preceding the next scheduled payment.

(d) The Director of the Department of Finance may, upon the request of the Superintendent of Public Instruction, amend the payment schedule set forth in subdivision (b) if the director concludes that the amendment is warranted and is in the best interests of both the state and the West Contra Costa Unified School District education program. Upon that determination, the director shall notify the Joint Legislative Budget Committee that the payment schedule will be changed on the date that is 90 days from the date of notification if the Legislature is in session, unless the Joint Legislative Budget Committee takes appropriate action to preclude that change. If the 90-day period ends during a recess of the Legislature or while the Legislature is not in session, the 90-day period shall be extended until the Legislature reconvenes. Amendments to the repayment schedule shall defer the unpaid portion of a repayment of the earliest fiscal year in which no other repayment is scheduled. Interest shall accrue on the unpaid portion of a repayment from the scheduled due

date until such time as payment is actually made. The interest charge shall be the same rate as specified in Section 41471.

(e) If the district is able to sell properties in advance of any of the obligations contained in the schedule set forth in subdivision (b), the scheduled interest cost shall be reduced in accordance with any prepayments that are made. If the repayment schedule is amended pursuant to subdivision (d), all proceeds from any properties sold in advance of any of the obligations shall be used as prepayment on the schedule.

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