

Senate Bill No. 4

CHAPTER 201

An act to amend Section 76063 of the Education Code, relating to community colleges.

[Approved by Governor July 30, 1995. Filed with
Secretary of State July 31, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

SB 4, Russell. Community colleges: student body organizations: funds.

(1) Existing law prescribes the manner in which funds of community college student body organizations are to be deposited or invested.

Existing law requires the funds to be deposited or invested, among other alternatives, in investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations, if the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

This bill would additionally require the money so invested or deposited to be invested or deposited in certificates, shares, or accounts fully covered by the insurance.

Existing law requires the funds to be deposited or invested, among other alternatives, in shares or certificates for funds received, or any form of evidence of interest or indebtedness issued, by any credit union in this state organized under specified provisions of existing federal or state law and insured by the administrator of the National Credit Union Administration or a comparable agency as provided by a state government.

This bill would, instead, require the funds to be deposited or invested in investment certificates or withdrawable shares in federal or state credit unions, if the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by the insurance.

This bill would also require the funds to be deposited or invested, among other alternatives: (1) in trust accounts of the centralized State Treasury system, as specified; (2) in the purchase of any of the securities authorized for investment by specified provisions of existing law governing eligible securities for investment of surplus moneys; and (3) in participation in funds that are exempt from



federal income tax, as specified, and that are open exclusively to nonprofit colleges, universities, and independent schools.

To the extent this bill would impose new duties on community colleges, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

SECTION 1. Section 76063 of the Education Code is amended to read:

76063. The funds of any student body organization established in the public schools of any community college district shall, subject to approval of the governing board of the district, be deposited or invested in one or more of the following ways:

(a) Deposits in trust accounts of the centralized State Treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in a bank or banks whose accounts are insured by the Federal Deposit Insurance Corporation.

(b) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations, if the associations are doing business in this state and have their accounts insured by the Federal Savings and Loan Insurance Corporation and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by the insurance.

(c) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the Treasurer in those securities.

(d) Participation in funds that are exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and that are open exclusively to nonprofit colleges, universities, and independent schools.

(e) Investment certificates or withdrawable shares in federal or state credit unions, if the credit unions are doing business in this state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested



or deposited in certificates, shares, or accounts fully covered by the insurance.

The funds shall be expended subject to procedures that may be established by the student body organization subject to the approval of each of the following three persons, which shall be obtained each time before any of the funds may be expended: an employee or official of the community college district designated by the governing board, the certificated employee who is the designated adviser of the particular student body organization, and a representative of the particular student body organization.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

