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AMENDED IN ASSEMBLY JULY 8, 1998
AMENDED IN ASSEMBLY MARCH 3, 1998
AMENDED IN ASSEMBLY JULY 2, 1997
AMENDED IN SENATE JUNE 3, 1997
AMENDED IN SENATE APRIL 1, 1997
AMENDED IN SENATE MARCH 13, 1997
AMENDED IN SENATE MARCH 6, 1997
AMENDED IN SENATE FEBRUARY 25, 1997

SENATE BILL

No. 50

Introduced by Senator ~~O'Connell~~ and Assembly Members
~~Havice, Scott, Wayne, and Wildman~~
(Principal coauthor: ~~Senator Greene~~)
(Principal coauthors: ~~Assembly Members Alquist, Baca,~~
~~Cardoza, Davis, Escutia, Mazzoni, Ortiz, Thomson, and~~
~~Villaraigosa~~)
(Coauthors: ~~Senators Alpert, Costa, Dills, Hughes,~~
~~Karnette, Lee, Polanco, Solis, and Watson~~)
(Coauthors: ~~Assembly Members Cardenas, Ducheny,~~
~~Honda, Kuehl, Lempert, Machado, Martinez, Migden,~~
~~Murray, Papan, Perata, Shelley, Strom-Martin, Sweeney,~~
~~and Washington~~) **Karnette** and Assembly Members
Villaraigosa and Olberg
(Principal coauthors: *Assembly Members Aguiar, Baca,*
Bustamante, Cardenas, Cardoza, Cedillo, Cunneen,
Ducheny, Escutia, Frusetta, Gallegos, Havice, Hertzberg,
Keeley, Kuehl, Kuykendall, Leonard, Migden, Miller,
Napolitano, Oller, Prenter, Richter, Scott, Shelley,
Takasugi, Torlakson, Washington, Wayne, Wildman, and
Woods)



(Coauthors: Assembly Members Figueroa, Knox, Perata,
Strom-Martin, Vincent, and Wright)

December 2, 1996

~~An act to amend Sections 17014, 17260, 17262, 17303, 17305, and 17306 of, to add Sections 17005.6, 17005.7, 17005.8, 17009.5, 17030.1, and 17060.5 to, to add Part 68 (commencing with Section 100400) to, to repeal Section 15101 of, and to repeal and add Section 17261 of, the Education Code, to amend Section 1003 of the Elections Code, and to amend Section 4420 of the Government Code, relating to~~ *An act to amend Sections 17260, 17262, 17303, 17305, 17306, and 17620 of, to add Sections 17009.3, 17009.5, 81134, 81135, and 81136 to, to add Chapter 12.5 (commencing with Section 17070.10) to Part 10 of, to add Part 68 (commencing with Section 100400) to, to repeal Section 15101 of, and to repeal and add Section 17261 of, the Education Code, to amend Section 1003 of the Elections Code, to amend Sections and 4420 and 65995 of, to amend and repeal Section 65996 of, and to add Sections 65995.5, 65995.6, 65995.7, and 65996 to, the Government Code, and to add Chapter 8 (commencing with Section 50700) to Division 31 of the Health and Safety Code, relating to education facilities, making an appropriation therefor, and by providing the funds necessary therefor through an election for, and the issuance and sale of, bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 50, as amended, ~~Connell~~ *Karnette*. Education: *Leroy F. Greene School Facilities Act of 1998: Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998: school facilities construction: developers fees.*



(1) Existing law prohibits an election on a bond measure of a school district or community college district within 45 days of a statewide election unless conducted at the same time as the statewide election.

This bill would repeal this provision.

(2) Existing law requires the State Department of Education to establish a pool of duplicate plans for school buildings appropriate for school districts in rural areas. Existing law defines school building for this purpose to mean a one-story schoolhouse of not more than 9 classrooms.

This bill would, instead, require the State Allocation Board to obtain construction plans for school buildings appropriate for school districts in the various climates and geographical conditions of the state requiring school buildings of various sizes, would delete this definition of school building and would, instead, make the definition of school building set forth in the Field Act relating to seismic safety apply to these provisions, and would make other conforming and technical, nonsubstantive changes.

(3) Under existing law, known as the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (hereafter the "Greene Act"), the State Allocation Board (hereafter "the board") is authorized to apportion state funding to applicant school districts for designated school facilities construction purposes.

This bill would prohibit the board from approving any projects pursuant to the Greene Act on and after July 15, 1998. This provision would become inoperative on November 4, 1998, if the bond act described in (5) is not adopted.

This bill would enact the Leroy F. Greene School Facilities Act of 1998, which would establish a new state program in which the board would provide state per pupil funding for new school facilities construction and school facilities modernization. This program would become inoperative on November 4, 1998, if the bond act described in (5) is not adopted.

This bill would establish the 1998 State School Facilities Fund and provide for the continuous appropriation of funds deposited in that fund. The bill would establish a county school facilities fund for deposit of funding for approved projects. By



requiring the establishment of this county fund, this bill would impose a state-mandated local program.

(3.5) Under existing law, the West Contra Costa Unified School District is ineligible for any state facilities funding for a period of 5 years from June 30, 1993, or until the date of the final payment of its entire debt to the state, whichever is later.

This bill would provide that, notwithstanding existing law, the West Contra Costa Unified School District shall be eligible for state school facilities funding on and after November 4, 1998.

(4) Existing law, the Field Act, requires a school district, prior to contracting for the construction or alteration of a school building, to obtain written approval of the construction plans by the Department of General Services pursuant to designated structural safety and other standards. Under an alternative plan review process, if the applicant so requests and the department is unable to commence review within 15 working days, the department is required to refer the review of the application to a qualified individual or firm under contract with the department.

This bill would permit certain local agency building officials to be qualified plan review firms for purposes of these provisions. The bill would permit an applicant to select a qualified plan review firm instead of having the department review the plans. The bill would require the department to contract with a sufficient number of qualified plan review firms. The bill would add similar provisions for review of community college district school building construction plans by the department under the Field Act.

(5) Under existing law, the Public Education Facilities Bond Act of 1996 provides for the issuance, pursuant to the State General Obligation Bond Law, of bonds in an amount not to exceed \$2,025,000,000 and the expenditure of the proceeds therefrom to provide aid to school districts, county superintendents of schools, and county boards of education in accordance with the Greene Act and related school facilities programs.

This bill would enact the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998, which, upon approval by the state electorate,



would provide for the issuance of state general obligation bonds in an amount not to exceed \$9,000,000,000 exclusive of refunding bonds issued pursuant to that act.

The bill would provide that \$3,250,000,000 would be allocated beginning in the 1998–99 fiscal year for school district project funding related to the growth in enrollment of applicant school districts, prescribed reconstruction or modernization, and facilities-related costs for class size reduction. The bill would appropriate the funds for these purposes. The bill would provide that \$3,250,000,000 would be allocated in the 2000–01 fiscal year for similar purposes as described above and would appropriate the funds for these purposes. The bill would provide that \$2,500,000,000 would be deposited in the 1998 Higher Education Capital Outlay Fund, which would be established by the bill, with \$1,250,000,000 issued and sold after July 1, 2000, for higher education facility building construction and related expenditures when appropriated.

This bill would provide that notwithstanding any other provision of law, on the operative date of this bill, specified liens that have been recorded on school district property by the state would be released, and would prohibit the imposition of new liens on and after November 4, 1998.

This bill would declare that it is the policy of the state to exercise prudence in undertaking the sale of bonds otherwise authorized for sale by this bill or any other act, and would encourage undertaking the sale of bonds not to exceed a cumulative debt service to General Fund revenue ratio of 6% unless the sale is in the best fiscal interest of the state.

This bill would provide for the submission to the voters of the Class Size Kindergarten-University Public Education Facilities Bond Act of 1998 at the November 3, 1998, statewide general election.

(6) Existing law sets forth the exclusive methods of mitigating environmental effects related to the adequacy of school facilities when considering the approval or establishment of conditions for the approval of a development project under the California Environmental Quality Act (CEQA).



This bill would, notwithstanding any other provision of law, instead, set forth exclusive methods of considering and mitigating impacts on school facilities which occur or might occur as a result of any legislative or adjudicative act by any state or local agency involving, but not limited to, the planning, use, or development of real property or any change of governmental organization or reorganization. The bill would also on or after any statewide election in 2006, if a school facilities general obligation bond measure submitted to the voters fails to be approved by the voters, set forth exclusive methods of mitigating environmental effects related to the adequacy of school facilities when considering the approval or the establishment of conditions for the approval of a development project under CEQA. These provisions applicable on or after 2006 would, when operative, make the provisions described in the first sentence of this paragraph inoperative.

This bill would establish a pilot program, administered by the Department of Housing and Community Development, to make payments to a developer of affordable housing as reimbursement for certain school facilities fees paid by the developer and would continuously appropriate \$80,000,000 from the General Fund to the department for this purpose.

This bill would establish a pilot programs to make payments to a developer who constructs owner occupied housing that sells for \$110,000 or less or that is located in a county with an unemployment rate that equals or exceeds 125% of the state unemployment rate and produces 500 or more housing units per year, as reimbursement for certain school facilities fees paid by the developer and would continuously appropriate \$80,000,000 from the General Fund to the department for this purpose.

(7) Existing law prohibits an officer or employee of the state, or of a public agency or public authority, or person, firm, or corporation acting or purporting to act on behalf of any officer or employee, from negotiating, making application for, obtaining, or procuring any surety bond or contract of insurance, except contracts of insurance for builder's risk or owner's protective liability, that can be obtained or procured



by the bidder, contractor, or subcontractor. Certain projects are excluded from this prohibition.

This bill would exclude a construction project undertaken by a public school district.

(8) Existing law authorizes a public agency to utilize owner-controlled or wrap-up insurance programs on a public works project if the total cost of the project is over \$125,000,000 and other prescribed conditions are met.

This bill would include a public school project within that authority to utilize owner-controlled or wrap-up insurance programs.

(9) Existing law authorizes certain local agencies to impose limited fees or other charges against certain development projects to fund the construction or reconstruction of school facilities. Under existing law, a building permit may not be issued for any development absent certification by the appropriate school district of compliance by the development project with the fee, charge, dedication, or other requirement levied by the governing board of that school district. Under existing law, for residential development, the limit on fees is \$1.50 per square foot and for commercial development the limitation is 25¢ per square foot excluding permissible adjustment for inflation. Existing law prohibits the legislative body of a local agency from levying development fees or other requirements for the construction or reconstruction of schools, other than pursuant to designated statutory authority.

This bill would provide that the fees are \$1.93 for residential development and 31¢ for commercial development, and would provide for subsequent adjustments for inflation. The bill would prohibit fees or other requirements for the construction or reconstruction of schools from being levied or imposed in connection with, or made a condition of, any legislative or adjudicative act, or both, by any state or local agency involving, but not limited to, the planning, use, or development of real property, other than pursuant to designated authority. This bill would provide, in the case of residential construction, a governing board of a school district may increase the per square foot fee by an amount determined pursuant to a formula for the purpose of generating funds to match the state per pupil and site



assistance grant for which the district is eligible to accommodate the projected number of new pupils attributable to the construction of new residential units as demonstrated by a school facility needs analysis. This bill would require the needs analysis to be adopted in accordance with specified notice and procedural requirements. This bill would, when state funds for new facility construction are not available, permit a governing board of a school district that may increase the per square foot fee, as described above, to impose a supplemental amount.

(10) Existing law provides for specific dates on which elections are required to be held, but exempts certain elections from those dates.

This bill would exempt elections held for school bonds from those dates.

(11) This bill would provide that certain of its provisions would not become operative before November 4, 1998, and on that date would only become operative if Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998 is approved by the voters at the November 3, 1998, statewide general election.

(12) Existing law provides that a bond measure submitted to the people by the Legislature is required to appear on the ballot of the first statewide election occurring at least 131 days after the adoption of the proposal by the Legislature. Existing law provides for ballot arguments, press releases, the form of the ballot, public examination, and for the mailing of state ballot pamphlets to the voters, within specified time frames, for measures that are to be voted upon.

This bill would require, notwithstanding these provisions or any other provision of law, the Secretary of State to cause the Class Size Reduction Kindergarten-University Public Education Bond Act of 1998 to be placed on the ballot and submitted to the voters at the November 3, 1998, general election and to include in the ballot or supplemental ballot pamphlet information regarding the measure.

(13) 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.

(14) This bill would declare that it is to take effect immediately as an urgency statute.

~~The Leroy F. Greene State School Building Lease Purchase Law of 1976 (hereafter the Greene Act) provides for the acquisition and construction of facilities by the state and the lease-purchase of those facilities by school districts.~~

~~The Public Education Facilities Bond Act of 1996 provides for the issuance, pursuant to the State General Obligation Bond Law, of bonds in an amount not to exceed \$2,025,000,000 and the expenditure of the proceeds therefrom to provide aid to school districts, county superintendents of schools, and county boards of education, as specified, in accordance with the Greene Act and related school facilities programs, as specified.~~

~~This bill would enact the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998, which, upon approval by the state electorate, would provide for the issuance of state general obligation bonds in an amount not to exceed \$9,200,000,000, exclusive of refunding bonds issued pursuant to that act.~~

~~The bill would provide that \$3,100,000,000 would be allocated beginning in the 1998-99 fiscal year for school district project funding related to the growth in enrollment of applicant school districts, joint-use facilities projects for school districts and community college districts, child care facilities, portable classrooms, prescribed reconstruction or modernization, and site acquisition and facilities-related costs for class size reduction. The bill would appropriate the funds for these purposes. The bill would provide that \$3,100,000,000 would be allocated in the 2000-01 fiscal year for all the same purposes as described above and would appropriate the funds for these purposes. The bill would provide that \$3,000,000,000~~



~~would be deposited in the 1996 Higher Education Capital Outlay Fund with not more than half of these proceeds to be allocated beginning in the 1998-99 fiscal year and not more than half of these proceeds allocated beginning in the 2000-01 fiscal year for higher education facility building construction and related expenditures when appropriated.~~

~~This bill would require, on the operative date of this bill, that specified liens that have been recorded on school district property by the state be released, and would prohibit the imposition of new liens as specified on and after the operative date of this bill.~~

~~This bill would require the Department of Finance to review the costs of construction of schools, to develop alternatives and recommendations to control and reduce those costs, and to report its recommendations to the Governor and the Legislature by March 1, 1999.~~

~~This bill would declare that it is the policy of the state that the Treasurer exercise prudence in undertaking the sale of bonds otherwise authorized for sale by this bill or any other act, and would encourage the Treasurer in undertaking the sale of bonds not to exceed a cumulative debt service to General Fund revenue ratio of 6% unless the Treasurer determines that the sale is in the best fiscal interest of the state.~~

~~This bill would provide for the submission to the voters of the Class Size Kindergarten-University Public Education Facilities Bond Act of 1998 at the June 2, 1998, statewide primary election.~~

~~Existing law provides that a bond measure submitted to the people by the Legislature is required to appear on the ballot of the first statewide election occurring at least 131 days after the adoption of the proposal by the Legislature. Existing law provides for ballot arguments, press releases, the form of the ballot, and for the mailing of state ballot pamphlets to the voters, within specified timeframes, for measures that are to be voted upon.~~

~~This bill would require, notwithstanding these provisions or any other provision of law, the Secretary of State to submit the Class Size Reduction Kindergarten-University Public Education Bond Act of 1998 to the voters at the June 2, 1998,~~



~~statewide primary election and to include in the ballot pamphlet information regarding the measure.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ²/₃. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: ~~no~~ yes.

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

1 *SECTION 1. Section 15101 of the Education Code is*
2 *repealed.*

3 ~~15101. Notwithstanding any provision of law to the~~
4 ~~contrary, no election shall be held pursuant to this~~
5 ~~chapter within 45 days before a statewide election or~~
6 ~~within 45 days after a statewide election unless conducted~~
7 ~~at the same time as the statewide election, subject to Part~~
8 ~~3 (commencing with Section 10400) of Division 10 of the~~
9 ~~Elections Code.~~

10 *SEC. 2. Section 17009.3 is added to the Education*
11 *Code, to read:*

12 *17009.3. The board may not approve any projects*
13 *pursuant to this chapter on and after July 15, 1998.*

14 *SEC. 3. Section 17009.5 is added to the Education*
15 *Code, to read:*

16 *17009.5. (a) On and after November 4, 1998, the*
17 *board shall only approve and fund school facilities*
18 *construction projects pursuant to Chapter 12.5*
19 *(commencing with Section 17070.10).*

20 *(b) A school district with a first priority project that*
21 *has received a construction-phase approval by the board,*
22 *or a joint-use project approval by the board, prior to July*
23 *15, 1998, for growth or modernization pursuant to this*
24 *chapter shall receive funding pursuant to this chapter for*
25 *all unfunded approved project costs as it would have*
26 *received under this chapter, and the increased capacity*
27 *assigned to the project shall be included in calculating the*
28 *district's capacity pursuant to Chapter 12.5 (commencing*
29 *with Section 17070.10). Funds received for projects*
30 *described in this subdivision shall constitute the state's*
31 *final and full contribution to these projects. The board*



1 shall not consider additional project funding except
2 where otherwise authorized under Chapter 12.5
3 (commencing with Section 17070.10).

4 (c) A school district with a second priority project that
5 has received a construction-phase approval by the board
6 prior to July 15, 1998, for growth or modernization
7 pursuant to this chapter shall elect to do either of the
8 following:

9 (1) Withdraw the application under this chapter,
10 submit an initial report and application pursuant to
11 Chapter 12.5 (commencing with Section 17070.10), and
12 receive per pupil allocations as set forth in Chapter 12.5
13 (commencing with Section 17070.10). In the event that
14 the district withdraws the application, any funds
15 previously allocated under this chapter for the project
16 shall be offset from the first grant to the district under
17 Chapter 12.5 (commencing with Section 17070.10).

18 (2) Convert the second priority project approved
19 under this chapter to a first priority status and receive
20 funds in accordance with this chapter.

21 (d) Notwithstanding priorities established pursuant to
22 Chapter 12.5 (commencing with Section 17070.10),
23 projects authorized for funding as set forth in this section
24 shall be funded by the board pursuant to this chapter
25 prior to funding other projects pursuant to Chapter 12.5
26 (commencing with Section 17070.10).

27 (e) For purposes of funding priority for modernization
28 grants under Chapter 12.5 (commencing with Section
29 17070.10), a district that applies under paragraph (1) of
30 subdivision (c) shall retain its original project approval
31 date.

32 (f) Notwithstanding 17017.1, West Contra Costa
33 Unified School District shall be eligible for state facilities
34 funds beginning November 4, 1998.

35 SEC. 4. Chapter 12.5 (commencing with Section
36 17070.10) is added to Part 10 of the Education Code, to
37 read:

38



CHAPTER 12.5. LEROY F. GREENE SCHOOL FACILITIES
ACT OF 1998

Article 1. General Provisions

17070.10. This chapter shall be known, and may be cited, as the Leroy F. Greene School Facilities Act of 1998.

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

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

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

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

(d) "Department" means the Department of General Services.

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

(f) "Modernization" means any modification of 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, that will enhance the capacity of the structure to achieve educational purposes.

(g) "Property" includes all property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of this chapter.

(h) "School district" means a school district or a county office of education. For purposes of determining eligibility under this chapter, "school district" may also mean a high school attendance area.



1 (i) “Fund” means the 1998 State School Facilities
2 Fund established pursuant to Section 17070.40.

3 (j) “County fund” means a county school facilities
4 fund established pursuant to Section 17070.43.

5 (k) “Portable classroom” means a classroom building
6 of modular design and construction that is designed and
7 constructed to be relocatable and transportable over
8 public streets, and with respect to a single story portable
9 classroom, is designed and constructed for relocation
10 without the separation of the roof or floor from the
11 building and when measured at the most exterior walls,
12 has a floor area not in excess of 2,000 square feet.

13 (l) “School building capacity” means the capacity of a
14 school building to house students.
15 17070.20. The Director of General Services shall
16 administer this chapter and shall provide assistance to the
17 board as it requires.

18 17070.25. The department shall first publish
19 applications for funding under this chapter by September
20 1, 1998, and shall be prepared to receive and expeditiously
21 act upon applications on and after that date.

22 17070.30. The State Allocation Board is continued in
23 existence for the purpose of this chapter. The members
24 of the board and the Members of the Legislature meeting
25 with the board shall have no compensation for their
26 services under this chapter, but shall be reimbursed for
27 their actual and necessary expenses incurred in
28 connection with the performance of their duties pursuant
29 to this chapter, to be paid as an administrative expense.

30 17070.33. (a) The board shall adopt guidelines for use
31 by districts by September 1, 1998, to achieve measurable
32 reductions in the costs of school facilities construction.

33 (b) The guidelines shall include, but need not be
34 limited to, all of the following:

35 (1) Mechanisms designed to reduce the costs of
36 professional fees.

37 (2) Mechanisms designed to reduce the costs of site
38 preparation.

39 (3) Recommendations for the use of alternate
40 cost-saving construction materials and methods.



1 (4) Recommendations regarding the joint use of core
2 facilities.

3 (5) Mechanisms designed to reduce costs by
4 incorporating efficiencies in schoolsite design.

5 (6) Recommendations regarding the use of
6 cost-effective, efficient reusable facility plans.

7 (c) If a school district's matching funds include fees
8 charged pursuant to Section 17620 or pursuant to Section
9 65995.5 or 65995.7 of the Government Code, or if a district
10 receives funds pursuant to this chapter, the district shall
11 consider the guidelines developed pursuant to this
12 section as fully as is practicable.

13 (d) When the board adopts the guidelines, it shall not
14 include any recommendation that would have a
15 significant detrimental effect on educational programs.

16 17070.35. In addition to all other powers and duties as
17 are granted the board by this chapter, other statutes, or
18 the California Constitution, the board shall do all of the
19 following:

20 (a) Adopt rules and regulations, pursuant to the
21 rulemaking provisions of the Administrative Procedure
22 Act, Chapter 3.5 (commencing with Section 11340) of
23 Part 1 of Division 3 of Title 2 of the Government Code, for
24 the administration of this chapter. However, the board
25 shall have no authority to set the level of the fees of any
26 architect, structural engineer, or other design
27 professional on any project. The initial regulations
28 adopted pursuant to this chapter shall be adopted as
29 emergency regulations, and the circumstances related to
30 the initial adoption are hereby deemed to constitute an
31 emergency for this purpose. The initial regulations
32 adopted pursuant to this chapter shall be adopted by
33 September 1, 1998. If the initial regulations are not
34 adopted by that date, the board shall report to the
35 Legislature by that date, explaining the reasons for the
36 delay.

37 (b) Establish and publish any procedures and policies
38 in connection with the administration of this chapter as
39 it deems necessary.

1 (c) Determine the eligibility of school districts to
2 receive apportionments under this chapter.

3 (d) Apportion funds to eligible school districts under
4 this chapter.

5 17070.40. (a) A fund is hereby established in the State
6 Treasury to be known as the 1998 State School Facilities
7 Fund. All money in the fund, including any money
8 deposited in that fund from any source whatsoever, and
9 notwithstanding Section 13340 of the Government Code,
10 is hereby continuously appropriated for expenditure
11 pursuant to this chapter.

12 (b) The State Allocation Board may apportion funds to
13 school districts for the purposes of this chapter from funds
14 transferred to the 1998 State School Facilities Fund from
15 any source.

16 (c) The board may make apportionments in amounts
17 not exceeding those funds on deposit in the 1998 State
18 School Facilities Fund, and any amount of bonds
19 authorized by the State School Building Finance
20 Committee, but not yet sold by the Treasurer.

21 (d) The board may make disbursements pursuant to
22 any apportionment made from any funds in the 1998 State
23 School Facilities Fund, irrespective of whether there
24 exists at the time of the disbursement an amount in the
25 1998 State School Facilities Fund sufficient to permit
26 payment in full of all apportionments previously made.
27 However, no disbursement shall be made from any funds
28 required by law to be transferred to the General Fund.

29 17070.43. (a) A county school facilities fund is hereby
30 established in the county treasury within each county for
31 each school district in the county.

32 (b) The board may from time to time authorize the
33 Controller to transfer any funds that the board may deem
34 necessary from the 1998 State School Facilities Fund to
35 the corresponding county fund in the county treasury.
36 Interest on all funds deposited in the county fund shall be
37 retained in that fund.

38 (c) Funds may be expended from the county fund by
39 the recipient school district for qualifying school facilities
40 expenditures set forth in Sections 17072.35 and 17074.25.



1 17070.45. This chapter shall not be construed to
2 change the powers and duties of the State Department of
3 Education or the Department of General Services with
4 respect to schoolsites and the construction of school
5 buildings as contained in Chapter 1 (commencing with
6 Section 17211) and Chapter 3 (commencing with Section
7 17251) of Part 10.5.

8 17070.50. The board shall not apportion funds to any
9 school district, unless the applicant school district has
10 certified to the board that the services of any architect,
11 structural engineer, or other design professional for any
12 work under the project have been obtained pursuant to
13 a competitive process that is consistent with the
14 requirements of Chapter 10 (commencing with Section
15 4525) of Division 5 of Title 1 of the Government Code and
16 has done either of the following:

17 (a) Obtained the written approval of the State
18 Department of Education that the site selection, and the
19 building plans and specifications, comply with the
20 standards adopted by the department pursuant to
21 subdivisions (b) and (c), respectively, of Section 17251.

22 (b) Certified to the board that it is in compliance with
23 the standards set forth in subdivision (a).

24 17070.55. Upon request of any school district, the
25 State Department of Education shall provide assistance
26 in the evaluation and utilization of existing school
27 facilities and the justification of the need for schoolsites,
28 new facilities, and the rehabilitation or replacement of
29 existing facilities, in accordance with board regulations.

30 17070.60. Funding decisions made by the board shall
31 not, in themselves, make the board liable for any tort,
32 breach of contract, or any other action for damages
33 caused by a school district arising from new construction
34 or modernization by the district. These contracts include,
35 but are not limited to, contracts between the school
36 district and its construction contractors, construction
37 managers, architects, or engineers. The school district
38 shall be liable for all torts, breaches of contract, or any
39 other actions for damages caused by the school district.

1 17070.63. (a) *The total funding provided under this*
2 *chapter shall constitute the state's full and final*
3 *contribution to the project and for eligibility for state*
4 *facilities funding represented by the number of unhoused*
5 *pupils for which the school district is receiving the state*
6 *grant. As a condition of receipt of funds, a school district*
7 *shall certify that the grant amount, combined with local*
8 *funds, shall be sufficient to complete the school*
9 *construction project for which the grant is intended.*

10 (b) *Any funds provided to a school district under any*
11 *article in this chapter may not be counted towards the*
12 *local match for receipt of funds under any other article in*
13 *this chapter.*

14 (c) *Any savings achieved by the district's efficient and*
15 *prudent expenditure of these funds shall be retained by*
16 *the district in the county fund for expenditure by the*
17 *district as follows:*

18 (1) *Fifty percent for other high priority capital outlay*
19 *purposes.*

20 (2) *Fifty percent for future matching funds for the*
21 *purposes of Section 17072.30 or Section 17074.15.*

22 17070.65. *From any moneys in the 1998 State School*
23 *Facilities Fund, and approved for this purpose in the*
24 *annual Budget Act, the board shall make available to the*
25 *Director of General Services the amounts that the board*
26 *determines necessary for the Department of General*
27 *Services to provide the assistance, pursuant to this*
28 *chapter, required pursuant to Section 15504 of the*
29 *Government Code to facilitate the construction,*
30 *modernization, reconstruction, or alteration of, or*
31 *addition to, school buildings.*

32 17070.70. (a) *Title to all property acquired,*
33 *constructed, or improved with funds made available*
34 *under this chapter shall be held by the school district to*
35 *which the board grants the funds.*

36 (b) *The applicant school district shall comply with all*
37 *laws pertaining to the construction, reconstruction, or*
38 *alteration of, or addition to, school buildings.*

39 17070.75. (a) *The board shall require the school*
40 *district to make all necessary repairs, renewals, and*



1 *replacements to ensure that a project is at all times kept*
2 *in good repair, working order, and condition. All costs*
3 *incurred for this purpose shall be borne by the school*
4 *district.*

5 *(b) In order to ensure compliance with subdivision (a)*
6 *and to encourage school districts to maintain all buildings*
7 *under their control, the board shall require an applicant*
8 *school district to do all of the following prior to the*
9 *approval of a project:*

10 *(1) Establish a restricted account within the school*
11 *district's general fund for the exclusive purpose of*
12 *providing moneys for ongoing and major maintenance of*
13 *school buildings, according the highest priority to*
14 *funding for the purposes set forth in subdivision (a).*

15 *(2) Agree to deposit into the account established*
16 *pursuant to paragraph (1), in each fiscal year for 20 years*
17 *after receipt of funds under this chapter, a minimum*
18 *amount equal to or greater than 3 percent of the*
19 *applicant school district's general fund budget for that*
20 *fiscal year. For the 1998–99 fiscal year and the 1999–2000*
21 *fiscal year, a school district may phase in this requirement*
22 *by agreeing to certify the deposit of no less than 2 percent*
23 *for the 1998–99 fiscal year and no less than 2½ percent*
24 *for the 1999–2000 fiscal year. Annual deposits to the fund*
25 *established pursuant to paragraph (1) in excess of 2½*
26 *percent of the district general fund budget may count*
27 *towards the district's required match necessary to receive*
28 *apportionments from the State School Deferred*
29 *Maintenance Fund pursuant to Section 39619 to the*
30 *extent that funds are used for purposes that qualify for*
31 *funding under that section. In addition, any district*
32 *contribution to this fund may be provided in lieu of*
33 *meeting the ongoing maintenance requirements*
34 *pursuant to Section 17014 to the extent the funds are used*
35 *for purposes established in that section. This paragraph is*
36 *applicable only to the following school districts:*

37 *(A) High school districts with an average daily*
38 *attendance greater than 300 pupils.*

39 *(B) Elementary school districts with an average daily*
40 *attendance greater than 900 pupils.*



1 (C) Unified school districts with an average daily
2 attendance greater than 1,200 pupils.

3 (3) Certify that it has publicly approved an ongoing
4 and major maintenance plan that outlines the use of the
5 funds deposited, or to be deposited, pursuant to
6 paragraph (2). The plan may provide that the district
7 need not expend all of its annual allocation for ongoing
8 and major maintenance in the year in which it is
9 deposited if the cost of major maintenance requires that
10 the allocation be carried over into another fiscal year. A
11 plan developed in compliance with this section shall be
12 deemed to meet the requirements of Section 17585.

13 (c) A district for which paragraph (2) of subdivision
14 (b) does not apply shall certify to the board that it can
15 reasonably maintain its facilities with a lesser level of
16 maintenance.

17 17070.80. (a) All school facilities purchased or newly
18 constructed pursuant to this chapter for use, in whole or
19 in part, by pupils who are individuals with exceptional
20 needs, as defined in Section 56026, shall be designed and
21 located on the schoolsite so as to maximize interaction
22 between those individuals with exceptional needs and
23 other pupils as appropriate to the needs of both.

24 (b) The governing board of each applicant school
25 district and the county office of education shall ensure
26 that school facilities for pupils who are individuals with
27 exceptional needs are integrated with other school
28 facilities.

29 (c) The State Allocation Board, after consultation with
30 the State Department of Education and representatives
31 from county offices of education, special education
32 services regions, and school districts, shall develop and
33 adopt any regulations necessary to implement this
34 section.

35 (d) Notwithstanding any other provision of law, the
36 requirement set forth in subdivision (a) may be waived,
37 by the Superintendent of Public Instruction, only upon
38 compliance with the following procedure:

39 (1) The applicant school district or county
40 superintendent of schools shall file a written request for



1 waiver that documents the reasons for its inability to
2 comply with the requirement.

3 (2) The State Department of Education shall verify
4 the reasons set forth pursuant to paragraph (1), including
5 the documentation submitted, which verification shall be
6 completed no later than 30 days after the filing of the
7 request for waiver with the Superintendent of Public
8 Instruction.

9 (3) The Advisory Commission on Special Education, as
10 established under Section 33590, at its first scheduled
11 meeting following the verification conducted pursuant to
12 paragraph (2), shall review the request for waiver,
13 accompanying documentation, and the verification
14 findings of the State Department of Education. No later
15 than 15 days following the date of that meeting, the
16 commission shall submit its written comments and
17 recommendations regarding the request for waiver to the
18 Superintendent of Public Instruction.

19 (4) The Superintendent of Public Instruction shall
20 review the comments and recommendations submitted
21 by the Advisory Commission on Special Education prior
22 to approving or rejecting the request for waiver.

23 (5) Any request for waiver, submitted in accordance
24 with this section, that is not rejected within 60 days of its
25 receipt by the State Department of Education, shall be
26 deemed approved.

27 17070.85. Notwithstanding any other provision of law,
28 a lien recorded on school district property that has been
29 imposed pursuant to Section 16019 or 17030 shall be
30 released on the operative date of this section. The release
31 shall conclusively protect any third party relying upon
32 the same, and shall be acknowledged to permit
33 recordation by the county recorder. On and after July 15,
34 1998, a lien may not be imposed pursuant to Section 16019
35 or Section 17030.

36 17070.90. As a part of its application, a school district
37 shall certify that it has considered the feasibility of the
38 joint use of land and facilities with other governmental
39 entities in order to minimize school facilities costs. Funds
40 provided pursuant to this chapter for growth and



1 *modernization may be used for the school portion of*
2 *joint-use facilities.*

3 *17070.97. The board shall require the school district to*
4 *insure against public liability or property damage in*
5 *connection with any facility constructed or modernized*
6 *with an apportionment under this chapter.*

7 *17070.98. A school district that does not have*
8 *employees who possess adequate construction*
9 *management experience may contract for the provision*
10 *of construction management, and may use funds*
11 *provided pursuant to Article 4 (commencing with*
12 *Section 17072.10), Article 5 (commencing with Section*
13 *17072.20), and Article 7 (commencing with Section*
14 *17074.10) for the cost of those services as expressly*
15 *authorized by Section 17072.35 and Section 17074.25.*

16
17 *Article 2. Existing School Building Capacity*
18

19 *17071.10. (a) The calculation determined by this*
20 *article shall be made on a one-time basis, and will be used*
21 *as the baseline for eligibility determinations pursuant to*
22 *this chapter.*

23 *(b) Each school district that elects to participate in the*
24 *new construction program pursuant to this chapter shall*
25 *submit to the board a one-time report of existing school*
26 *building capacity.*

27 *17071.25. (a) The existing school building capacity in*
28 *the applicant school district or, where appropriate, in the*
29 *attendance area, at the time of initial application shall be*
30 *calculated pursuant to the following formula:*

31 *(1) Identify by grade level all permanent teaching*
32 *stations existing in the school district or, where*
33 *appropriate, the attendance area. For the purposes of this*
34 *section, “teaching station” means any space that was*
35 *constructed or reconstructed to serve as an area in which*
36 *to provide pupil instruction, but shall not include*
37 *portable buildings, except as provided in Section*
38 *17071.30.*

39 *(2) The assumed capacity of each calculated teaching*
40 *station pursuant to paragraph (1) shall be 25 pupils for*



1 each teaching station used for kindergarten or for grades
2 1 to 6, inclusive, and 27 pupils for each teaching station
3 used for grades 7 to 12, inclusive.

4 (3) Multiply the assumed capacity of each teaching
5 station as specified in paragraph (2) by the number of
6 teaching stations calculated under paragraph (1).

7 (4) The result of this computation shall be the number
8 of pupils housed by grade level in the existing school
9 building capacity of the applicant school district.

10 (b) The existing school building capacity of the
11 applicant school district calculated under this section
12 shall not include, in any school operated on a year-round
13 schedule, any teaching station that has been in continuous
14 use during the preceding five-year period primarily for
15 the operation of a preschool program or programs.

16 17071.30. For purposes of determining the existing
17 school building capacity in an applicant school district,
18 each portable classroom, whether owned or leased, shall
19 be included, except as otherwise provided in subdivisions
20 (a) and (b).

21 (a) Portable classrooms leased pursuant to Chapter 14
22 (commencing with Section 17085) shall be excluded from
23 the existing school building capacity. Portable classrooms
24 obtained by an applicant district pursuant to subdivision
25 (b) of Section 17088.5 shall be excluded from the existing
26 school building capacity, except as to any portable
27 classroom or classrooms for which the district rejected the
28 board's offer to purchase pursuant to that subdivision.

29 (b) Portable classrooms leased pursuant to this article
30 for a period of less than five years prior to the date of
31 application shall not be included in existing school
32 building capacity.

33 17071.33. For the purposes of determining existing
34 school building capacity, the calculation shall be adjusted
35 as required for first priority status pursuant to Section
36 17017.7 as that calculation would have been made under
37 the policies of the board in effect immediately preceding
38 July 15, 1998.

39 17071.35. Notwithstanding any other provisions of
40 law, the maximum school building capacity for each



1 applicant district shall be increased by the number of
2 pupils reported by the Superintendent of Public
3 Instruction for that grade level pursuant to Section 42268.
4 This adjustment shall be calculated on the basis, at the
5 district's option, of either the district as a whole or the
6 appropriate attendance area.

7 17071.40. Each school on a year-round, multitrack
8 calendar that has a density of 200 or more pupils enrolled
9 per acre, that is located in a school district with 40 percent
10 of its pupils attending multitrack, year-round schools shall
11 be exempted from the increase in school building
12 capacity required by Section 17071.35. Nothing in this
13 section shall be construed as exempting the school from
14 the requirements of Section 17071.33.

15

16 Article 3. New Construction Ongoing Eligibility
17 Determination

18

19 17071.75. After a one-time initial report of existing
20 school building capacity has been completed, a school
21 district's ongoing eligibility for new construction funding
22 shall be determined by making all of the following
23 calculations:

24 (a) Each school district that applies to receive funding
25 for new construction shall calculate enrollment
26 projections for the fifth year beyond the fiscal year in
27 which the application is made. Projected enrollment shall
28 be determined by utilizing the cohort survival
29 enrollment projection system, as defined and approved
30 by the board. The board may supplement the cohort
31 survival enrollment projection by the number of
32 unsheltered pupils that are anticipated as a result of
33 dwelling units proposed pursuant to approved and valid
34 tentative subdivision maps.

35 (b) Add the number of pupils that may be adequately
36 housed in the existing school building capacity of the
37 applicant district as determined pursuant to Article 2
38 (commencing with Section 17071.10) to the number of
39 pupils for which facilities were provided pursuant to this
40 chapter after the existing school building capacity was



1 *determined pursuant to Article 2 (commencing with*
2 *Section 17071.10).*

3 *(c) Subtract the number of pupils pursuant to*
4 *subdivision (b) from the number of pupils determined*
5 *pursuant to subdivision (a).*

6 *(d) The calculations required to establish eligibility*
7 *under this article shall result in a distinction between the*
8 *number of existing unhoused pupils and the number of*
9 *projected unhoused pupils.*

10 *17071.76. (a) Whenever the existing school building*
11 *capacity in any high school attendance area prevents*
12 *another high school attendance area from receiving the*
13 *maximum per-unhoused-pupil grant specified for the*
14 *school district as a whole, the eligibility may be computed*
15 *separately for each high school attendance area.*

16 *(b) For the purposes of eligibility, a school district may*
17 *combine two or more adjacent high school attendance*
18 *areas pursuant to the following conditions:*

19 *(1) The funding eligibility is for the construction of a*
20 *high school, junior high school, or elementary school*
21 *located or to be located in any of those high school*
22 *attendance areas.*

23 *(2) The high school, junior high school, or elementary*
24 *school to be constructed is to serve pupils residing in each*
25 *of those high school attendance areas.*

26 *(3) The combined eligibility reflects the eligibility to*
27 *which each of the high school attendance areas would*
28 *otherwise be entitled, reflecting the proportion of*
29 *projected pupil enrollment in the school to be*
30 *constructed, as calculated under this chapter, from each*
31 *of those attendance areas.*

32

33 *Article 4. New Construction Grant Eligibility*
34 *Determination*

35

36 *17072.10. (a) The board shall determine the*
37 *applicant's maximum total new construction grant*
38 *eligibility by multiplying the number of unhoused pupils*
39 *calculated pursuant to Article 3 (commencing with*
40 *Section 17071.75) in each school district with an approved*



1 application for new construction, by the
2 per-unhoused-pupil grant as follows:

3 (1) Five thousand two hundred dollars (\$5,200) for
4 elementary school pupils.

5 (2) Five thousand five hundred dollars (\$5,500) for
6 middle school pupils.

7 (3) Seven thousand two hundred dollars (\$7,200) for
8 high school pupils.

9 (b) The board shall annually adjust the
10 per-unhoused-pupil apportionment to reflect
11 construction cost changes, as set forth in the statewide
12 cost index for Class B construction as determined by the
13 board.

14 (c) The board may adopt regulations to be effective
15 until July 1, 2000, that adjust the amounts identified in this
16 section for qualifying individuals with exceptional needs,
17 as defined in Section 56026. The regulations shall be
18 amended after July 1, 2000, in consideration of the
19 recommendations provided pursuant to Section 17072.15.

20 (d) The board may establish a single supplemental
21 per-unhoused-pupil grant in addition to the amounts
22 specified in subdivision (a) based on the statewide
23 average marginal difference in costs in instances where
24 a project requires multilevel school facilities due to
25 limited acreage. The district's application shall
26 demonstrate that a practical alternative site is not
27 available.

28 17072.12. In addition to the amount provided in
29 Section 17072.10, the board may provide funding for
30 assistance in site development and acquisition if all of the
31 following are met:

32 (a) The amount of the site acquisition and
33 development assistance does not exceed 50 percent of the
34 cost of site development to the school district, plus the
35 lesser of 50 percent of the site cost to the school district
36 or 50 percent of the appraised value of the site at the time
37 the complete application is submitted, whichever is less.

38 (b) The school district certifies that there is no
39 alternative available site, or that the district plans to sell



1 *an available site in order to use the proceeds of the sale*
2 *for the purchase of the new site.*

3 *17072.15. In conjunction with the State Department*
4 *of Education and the Department of Finance, the*
5 *Legislative Analyst shall review the method of funding*
6 *the construction and modernization of school facilities for*
7 *special education pupils and the amount provided per*
8 *unhoused special education pupil pursuant to Sections*
9 *17072.10 and 17074.10. Pursuant to this review, the*
10 *Legislative Analyst shall recommend modifications to this*
11 *method that he or she deems to be advisable on or before*
12 *September 1, 1999.*

13
14 *Article 5. New Construction Funding Process*
15

16 *17072.20. (a) An applicant school district that has*
17 *been determined by the board to meet the eligibility*
18 *requirements for new construction funding set forth in*
19 *Article 2 (commencing with Section 17071.10) or Article*
20 *3 (commencing with Section 17071.75) may submit at any*
21 *time a request to the board for a project apportionment*
22 *for all or a portion of the funding for which the school*
23 *district is eligible.*

24 *(b) The application shall include, but shall not be*
25 *limited to, the school district's determination of the*
26 *amount of state funding that the district is otherwise*
27 *eligible for relating to site acquisition, site development,*
28 *new construction, and hardship funding provided*
29 *pursuant to Article 8 (commencing with Section*
30 *17075.10), if any.*

31 *(c) The board shall verify and adjust, as necessary, and*
32 *approve the district's application.*

33 *17072.25. (a) The board shall adopt regulations to*
34 *develop a mechanism to rank approved applications for*
35 *new construction funding. This mechanism shall be used*
36 *to determine the priority of approved applications when*
37 *state funds are insufficient.*

38 *(b) The ranking mechanism shall allocate priority*
39 *points based upon the percentages of currently and*
40 *projected unhoused pupils relative to the total population*

1 of the applicant district or attendance area and the total
2 number of currently and projected unhoused pupils in an
3 applicant district or attendance area.

4 (c) The board may award priority points based on
5 other factors that in its judgment result in the most
6 equitable distribution of resources among applicants. The
7 additional factors may not constitute greater than a 10
8 percent weight in the overall priority ranking.

9 17072.30. Subject to the availability of funds, and to
10 the determination of priority pursuant to Section
11 17072.25, the board shall apportion funds to an eligible
12 school district only upon the approval of the project by
13 the Department of General Services pursuant to the
14 Field Act, as defined in Section 17281, and certification by
15 the school district that the required 50 percent matching
16 funds from local sources have been expended by the
17 district for the project, or have been deposited in the
18 county fund, in an amount at least equal to the proposed
19 apportionment pursuant to this chapter, prior to release
20 of the state funds.

21 17072.32. For any project that has received an
22 apportionment pursuant to Section 17072.30, funding
23 shall be released in amounts equal to the amount of the
24 local match upon certification by the district that the
25 district has entered into a binding contract for
26 completion of the approved project.

27 17072.33. In the case of site acquisition, a district may
28 request that the state's share of site assistance be provided
29 to the district when the district in amounts equal to the
30 amount of the local match enters escrow for a site
31 included within a project.

32 17072.35. A grant for new construction may be used
33 for any and all costs necessary to adequately house new
34 pupils in any approved project, and those costs may only
35 include the cost of design, engineering, testing,
36 inspection, plan checking, construction management,
37 site acquisition and development, demolition,
38 construction, purchase and installation of portable
39 classrooms, landscaping, necessary utility costs, utility
40 connections and other fees, equipment including



1 telecommunication equipment to increase school
 2 security, furnishings, and the upgrading of electrical
 3 systems or the wiring or cabling of classrooms in order to
 4 accommodate educational technology. A grant for new
 5 construction may also be used to acquire an existing
 6 government or privately owned building, or a privately
 7 financed school building, and for the necessary costs of
 8 converting the government or privately owned building
 9 for public school use.

10

11 Article 6. Modernization Eligibility Determination

12

13 17073.10. Each school district that desires to receive
 14 an apportionment for modernization under this chapter
 15 shall submit an application in a form, and in the number
 16 of copies, that the board may require.

17 17073.15. A school district shall be eligible to receive
 18 an apportionment for modernization of permanent
 19 school buildings that are more than 25 years old or, in the
 20 case of portable classrooms that are at least 20 years old,
 21 and that have not been previously modernized with state
 22 funding.

23 17073.20. Funding may not be approved for the
 24 modernization of any permanent school building that is
 25 less than 25 years old, or, in the case of any portable
 26 classroom that is less than 20 years old, as described in
 27 Section 17071.30, and that prior to November 4, 1998, had
 28 not been previously modernized with state funding.

29

30 Article 7. Modernization Apportionment

31

32 17074.10. (a) The board shall determine the total
 33 funding eligibility of a school district for modernization
 34 funding by multiplying the following amounts by each
 35 pupil of that grade level housed in permanent school
 36 buildings that are at least 25 years old or portable
 37 classrooms that are at least 20 years old, and that have not
 38 been previously modernized with state funding:

39 (1) Two thousand two hundred forty-six dollars
 40 (\$2,246) for each elementary pupil.



1 (2) Two thousand three hundred seventy-six dollars
2 (\$2,376) for each middle school pupil.

3 (3) Three thousand one hundred ten dollars (\$3,110)
4 for each high school pupil.

5 (b) The board shall annually adjust the factors set forth
6 in subdivision (a) according to the adjustment for
7 inflation set forth in the statewide cost index for class B
8 construction, as determined by the board.

9 (c) The board may adopt regulations to be effective
10 until July 1, 2000, that adjust the amounts identified in this
11 section for qualifying individuals with exceptional needs,
12 as defined in Section 56026. The regulations shall be
13 amended after July 1, 2000, in consideration of the
14 recommendations provided pursuant to Section 17072.15.

15 17074.15. The board shall release disbursements to
16 school districts with approved applications for
17 modernization, to the extent state funds are available for
18 the state's 80 percent share, and the school district has
19 provided its 20 percent local match. Subject to the
20 availability of funds, the board shall apportion funds to an
21 eligible school district only upon the approval of the
22 project by the Department of General Services pursuant
23 to the Field Act, as defined in Section 17281, and evidence
24 that the certification by the school district that the
25 required 20 percent matching funds from local sources
26 have been expended by the district for the project, or
27 have been deposited in the county fund or will be
28 expended by the district by the time of completion of the
29 project, and evidence that the district has entered into a
30 binding contract for the completion of that project. If
31 state funds are insufficient to fund all qualifying school
32 districts, the board shall fund all qualifying school districts
33 in the order in which the application for funding was
34 approved by the board.

35 17074.20. As a condition for the receipt of funds under
36 this article, a school district shall ensure that all buildings
37 modernized comply with Sections 17212, 17212.5, and
38 17213.

39 17074.25. A modernization apportionment may be
40 used for an improvement to extend the useful life of, or



1 to enhance the physical environment of, the school. The
2 improvement may only include the cost of design,
3 engineering, testing, inspection, plan checking,
4 construction management, demolition, construction, the
5 replacement of portable classrooms, necessary utility
6 costs, utility connection and other fees, the purchase and
7 installation of air conditioning equipment and insulation
8 materials and related costs, furniture and equipment,
9 including telecommunication equipment to increase
10 school security, fire safety improvements, playground
11 safety improvements, the identification, assessment, or
12 abatement of hazardous asbestos, seismic safety
13 improvements, and the upgrading of electrical systems or
14 the wiring or cabling of classrooms in order to
15 accommodate educational technology. A modernization
16 grant may not be used for costs associated with acquisition
17 and development of real estate or for routine
18 maintenance and repair.

19
20
21

Article 8. Hardship Application

22 17075.10. (a) A school district may apply for hardship
23 assistance in cases of extraordinary circumstances.

24 (b) A school district applying for hardship state
25 funding under this article shall comply with either
26 paragraph (1) or (2).

27 (1) Demonstrate both of the following:

28 (A) That due to extreme financial, disaster related, or
29 other hardship the school district has unmet need for
30 pupil housing.

31 (B) That the school district is not financially capable of
32 providing the matching funds otherwise required for
33 state participation, that the district has made all
34 reasonable efforts to impose all levels of local debt
35 capacity and development fees, and that the school
36 district is, therefore, unable to participate in the program
37 pursuant to this chapter except as set forth in this article.

38 (2) Demonstrate that due to unusual circumstances
39 that are beyond the control of the district, excessive costs
40 need to be incurred in the construction of school facilities.



1 17075.15. (a) From funds available from any bond act
2 for the purpose of funding facilities for school districts
3 with a financial hardship, the board may provide other
4 construction, modernization, or relocation assistance as
5 set forth in this chapter or Chapter 14 (commencing with
6 Section 17085) to the extent that severe circumstances
7 may require, and may adjust or defer the local financial
8 participation, as pupil health and safety considerations
9 require to the extent that bond act funds are provided for
10 this purpose.

11 (b) The board shall adopt regulations for determining
12 the amount of funding that may be provided to a district,
13 and the eligibility and prioritization of funding, under this
14 article.

15 (1) The regulations shall include a method for
16 determining the amount, and sources, of financing that
17 the school district could reasonably provide for school
18 facilities. Further, the regulations shall also specify a
19 method for determining required levels of local effort to
20 obtain matching funds.

21 (2) The value of any unused local general obligation
22 debt capacity and developer fees added to the needs
23 analysis to reflect the district's financial hardship,
24 available for the purposes of school facilities financing
25 shall be considered when evaluating available resources
26 for the purposes of the determination described in
27 paragraph (1).

28

29 Article 9. Program Accountability

30

31 17076.10. (a) A school district that has received any
32 funds pursuant to this chapter shall submit a summary
33 report of expenditure of state funds and of district
34 matching funds annually until all state funds and district
35 matching funds are expended, and shall then submit a
36 final report to the board. The board may require an audit
37 of these reports or other district records to ensure that all
38 funds received pursuant to this chapter are expended in
39 accordance with program requirements.



1 (b) If the board finds that a participating school
2 district has made no substantial progress towards
3 increasing its pupil capacity or renovating its facilities
4 within 18 months of the receipt of any funding pursuant
5 to this chapter, the board shall rescind the apportionment
6 in an amount equal to the unexpended funds.

7 (c) If the board, after the review of expenditures or
8 audit has been conducted pursuant to subdivision (a),
9 determines that a school district failed to expend funds in
10 accordance with this chapter, the department shall notify
11 the school district of the amount that must be repaid to
12 the 1998 State School Facilities Fund within 60 days. If the
13 school district fails to make the required payment within
14 60 days, the department shall notify the Controller and
15 the school district in writing, and the Controller shall
16 deduct an amount equal to the amount received by the
17 school district under this subdivision, from the school
18 district's next principal apportionment or
19 apportionments of state funds to the school district, other
20 than basic aid apportionments required by Section 6 of
21 Article IX of the California Constitution. Any amounts
22 obtained by the Controller shall be deposited into the
23 1998 State School Facilities Fund.

24 (d) If a school district has received an apportionment,
25 but has not met the criteria to have funds released
26 pursuant to Section 17072.32 or 17074.15 within 18
27 months, the board shall rescind the apportionment and
28 deny the district's application.

29 SEC. 5. Section 17260 of the Education Code is
30 amended to read:

31 17260. As used in Sections ~~17260 to 17267, inclusive,~~
32 this article "school buildings" ~~refers to only one-story~~
33 ~~schoolhouses of not more than nine classrooms shall have~~
34 the same meaning as in Section 17283.

35 SEC. 6. Section 17261 of the Education Code is
36 repealed.

37 ~~17261. The State Department of Education shall:~~

38 ~~(a) Establish a pool of duplicate plans for school~~
39 ~~buildings appropriate for school districts in rural areas.~~
40 ~~The series shall be composed of plans designed to meet~~



1 ~~the requirements of school districts located in rural areas~~
2 ~~of varying characteristics. The plans may include~~
3 ~~landscape suggestions.~~

4 ~~(b) Provide specifications for the design and~~
5 ~~construction of school buildings.~~

6 *SEC. 7. Section 17261 is added to the Education Code,*
7 *to read:*

8 *17261. The State Allocation Board shall obtain*
9 *construction plans for school buildings appropriate for*
10 *school districts in various climates and geographical*
11 *conditions of the state. The plans shall be composed of*
12 *plans designed to meet the needs of school districts*
13 *requiring school buildings of various sizes. The plans may*
14 *include landscape suggestions.*

15 *SEC. 8. Section 17262 of the Education Code is*
16 *amended to read:*

17 *17262. Any school district may request sets of any the*
18 *plans and specifications obtained by the State Allocation*
19 *Board as appropriate for use in constructing a school*
20 *building of the type desired by the district. The plans and*
21 *specifications shall be furnished to the school district*
22 *subject to the payment by the school district of the actual*
23 *expense incurred by the State Department of Education*
24 *Allocation Board, but the expense that payment shall not*
25 *exceed more than 2 percent of the total cost of the*
26 *project. Any payments received for the plans and*
27 *specifications shall be paid into the 1998 State Treasury to*
28 *the credit of the General School Facilities Fund.*

29 *SEC. 9. Section 17303 of the Education Code is*
30 *amended to read:*

31 *17303. (a) The Department of General Services shall*
32 *establish one or more methods to ensure that each*
33 *application has been completed sufficiently by the*
34 *applicant to enable the plan review to be performed.*

35 *(b) Upon receipt of a complete application, the*
36 *Department of General Services shall inform the*
37 *applicant of the period of time that it anticipates to elapse*
38 *prior to commencing review of the applicant's plans. As*
39 *necessary to ensure that this period of time does not*
40 *exceed an average, as calculated for each quarter of the*



1 ~~calendar year, of 15 working days, the department~~ *Within*
2 *10 days of being so notified, the applicant shall make an*
3 *election to either use the Department of General Services*
4 *for the review of the applicant's plan or, request the plan*
5 *review be performed by one or more qualified plan*
6 *review firms pursuant to Sections 17305 and 17306. If the*
7 *applicant elects to use the services of the Department of*
8 *General Services for review of the applicant's plan, the*
9 *department, as necessary to expedite review of the*
10 *applicant's plans, shall do one or more of the following:*

11 (1) Contract for assistance from one or more qualified
12 plan review firms pursuant to Section 17305.

13 (2) Employ additional staff on a temporary basis.

14 (3) Maximize the use of department staff through the
15 use of overtime or other appropriate means.

16 (4) Any other action determined by the department to
17 have the effect of expediting the review and approval
18 process.

19 (c) Each application shall identify, for purposes of
20 receiving the notifications required under this
21 subdivision, an employee of the applicant school district
22 and either the applicant's architect or structural
23 engineer. The Department of General Services
24 immediately shall notify that employee, and the
25 identified architect or structural engineer, when each of
26 the following steps in the plan review process occurs:

27 (1) The department requests the applicant's architect
28 or structural engineer to correct or complete any part of
29 the application.

30 (2) An application number is assigned to the
31 application.

32 (3) Review of the applicant's plans is commenced.

33 (4) Review of the applicant's plans is completed and
34 the department returns the plans to the architect or
35 structural engineer for correction.

36 (5) Corrected plans are returned to the department
37 by the applicant's architect or structural engineer for
38 final review and approval.



1 (6) The department approves the plans and causes a
 2 final record set of the plans to be printed in accordance
 3 with Section 17304.

4 (d) The Department of General Services may provide
 5 additional notifications to applicants as it deems
 6 necessary.

7 *SEC. 10. Section 17305 of the Education Code is*
 8 *amended to read:*

9 17305. (a) Notwithstanding Section 14952 of the
 10 Government Code, the Department of General Services
 11 ~~may shall~~ contract with ~~one or more~~ a sufficient number
 12 of qualified plan review firms for assistance in performing
 13 the plan review required under this article or Article 5
 14 (commencing with Section 17350).

15 (b) For purposes of this article, “qualified plan review
 16 firm” means an individual ~~or~~ firm, *or the building official*
 17 *of a city, a county, or a city and county* that is identified
 18 by the Department of General Services as having
 19 appropriate expertise and knowledge of the
 20 requirements that apply to school buildings under this
 21 article. The department shall establish and maintain a list
 22 of the individuals and firms so identified, and shall make
 23 that list available, upon request, to school districts and
 24 other interested parties.

25 *SEC. 11. Section 17306 of the Education Code is*
 26 *amended to read:*

27 17306. (a) Upon submitting a complete application
 28 for review under this article, the applicant may request
 29 that the Department of General Services refer the
 30 documents necessary for the review of that application to
 31 a qualified plan review firm operating under contract
 32 with the department pursuant to Section 17305. The
 33 department immediately shall grant the request ~~if it~~
 34 ~~anticipates that more than 15 working days will elapse~~
 35 ~~prior to its commencing the review of the applicant’s~~
 36 ~~plans. In addition, if more than 15 working days elapse~~
 37 ~~after the applicant submits the complete application~~
 38 ~~before the department commences review, the~~
 39 ~~department immediately shall~~ *and* refer the necessary



1 documents to a qualified plan review firm if the applicant
2 so requests.

3 Upon completing the review, the qualified plan review
4 firm shall submit the documents referred to it for the
5 review of the application, together with the results of its
6 review, to the Department of General Services.

7 (b) The Department of General Services shall
8 establish a procedure governing the use by applicants of
9 the review process alternative described in this section,
10 including, but not limited to, provisions restricting the
11 use of qualified plan review firms on the basis of conflict
12 of interest.

13 *SEC. 12. Section 17620 of the Education Code is*
14 *amended to read:*

15 17620. (a) (1) The governing board of any school
16 district is authorized to levy a fee, charge, dedication, or
17 other requirement against any ~~development project~~
18 *construction* within the boundaries of the district, for the
19 purpose of funding the construction or reconstruction of
20 school facilities, subject to any limitations set forth in
21 Chapter 4.9 (commencing with Section 65995) of
22 Division 1 of Title 7 of the Government Code. This fee,
23 charge, dedication, or other requirement may be applied
24 to construction only as follows:

25 (A) To new commercial and industrial construction.
26 The chargeable covered and enclosed space of a
27 commercial or industrial ~~development project~~
28 *construction*, ~~as defined in Section 65995 of the~~
29 ~~Government Code~~, shall not be deemed to include the
30 square footage of any structure existing on the site of that
31 ~~development project construction~~ as of the date the first
32 building permit is issued for any portion of that
33 ~~development project construction~~.

34 (B) To new residential construction.

35 (C) To other residential construction, only if the
36 resulting increase in assessable space, ~~as defined in~~
37 ~~Section 65995 of the Government Code~~, exceeds 500
38 square feet. The calculation of the “resulting increase in
39 assessable space” for this purpose shall reflect any
40 decrease in assessable space in the same residential



1 structure that also results from that construction. Where
2 authorized under this paragraph, the fee, charge,
3 dedication, or other requirement is applicable to the total
4 resulting increase in assessable space.

5 (D) *To location, installation, or occupancy of*
6 *manufactured homes and mobilehomes, as defined in*
7 *Section 17625.*

8 (2) For purposes of this section, ~~“development~~
9 ~~project” means any project undertaken for the purpose~~
10 ~~of development, and includes a project involving the~~
11 ~~issuance of a permit for construction or reconstruction,~~
12 ~~but not a permit to operate—“construction” and~~
13 ~~“assessable space” have the same meaning as defined in~~
14 ~~Section 65995 of the Government Code.~~

15 (3) For purposes of this section *and Section 65995,*
16 *“construction or reconstruction of school facilities”* does
17 not include any item of expenditure for any of the
18 following:

19 (A) The regular maintenance or routine repair of
20 school buildings and facilities.

21 (B) The inspection, sampling, analysis, encapsulation,
22 or removal of asbestos-containing materials, except
23 where incidental to school facilities construction or
24 reconstruction for which the expenditure of fees or other
25 consideration collected pursuant to this section is not
26 prohibited.

27 (C) The purposes of deferred maintenance described
28 in Section 17582.

29 (4) The appropriate city or county may be authorized,
30 pursuant to contractual agreement with the governing
31 board, to collect and otherwise administer, on behalf of
32 the school district, any fee, charge, dedication, or other
33 requirement levied under this subdivision. In the event
34 of any agreement authorizing a city or county to collect
35 that fee, charge, dedication, or other requirement in any
36 area within the school district, the certification
37 requirement set forth in subdivision (b) or (c), as
38 appropriate, is deemed to be complied with as to any
39 residential ~~development project—construction~~ within that
40 area upon receipt by that city or county of payment of the



1 fee, charge, dedication, or other requirement imposed on
2 that ~~project~~ residential construction.

3 (5) Fees or other consideration collected pursuant to
4 this section may be expended by a school district for the
5 costs of performing any study or otherwise making the
6 findings and determinations required under subdivisions
7 (a), (b), and (d) of Section 66001 of the Government
8 Code, *or in preparing the school facilities needs analysis*
9 *described in Section 65995.6 of the Government Code.* In
10 addition, an amount not to exceed, in any fiscal year, 3
11 percent of the fees collected in that fiscal year pursuant
12 to this section may be retained by the school district, city,
13 or county, as appropriate, for reimbursement of the
14 administrative costs incurred by that entity in collecting
15 the fees. When any city or county is entitled, under an
16 agreement as described in paragraph ~~(4)~~ (3), to
17 compensation in excess of that amount, the payment of
18 that excess compensation shall be made from other
19 revenue sources available to the school district. *For*
20 *purposes of this paragraph, “fees collected in that fiscal*
21 *year pursuant to this section” does not include any*
22 *amount in addition to the amounts specified in*
23 *paragraphs (1) and (2) of subdivision (b) of Section 65995*
24 *of the Government Code.*

25 ~~(b) No—~~A city or county, whether general law or
26 chartered, may *not* issue a building permit for any
27 ~~development~~ construction absent certification by the
28 appropriate school district ~~of compliance by that~~
29 ~~development~~ ~~project~~ ~~with that~~ any fee, charge,
30 dedication, or other requirement levied by the governing
31 board of that school district ~~pursuant to subdivision (a)~~
32 *has been complied with*, or of the district’s determination
33 that the fee, charge, dedication, or other requirement
34 does not apply to the ~~development~~ ~~project~~ construction.
35 *The school district shall issue the certification*
36 *immediately upon compliance with the fee, charge,*
37 *dedication, or other requirement.*

38 (c) If, pursuant to subdivision (c) of Section 17621, the
39 governing board specifies that the fee, charge,
40 dedication, or other requirement levied under



1 subdivision (a) is subject to the restriction set forth in
2 subdivision (a) of Section 66007 of the Government Code,
3 the restriction set forth in subdivision (b) of this section
4 does not apply. In that event, however, ~~no~~ a city or
5 county, whether general law or chartered, may *not*
6 conduct a final inspection or issue a certificate of
7 occupancy, whichever is later, for any residential
8 ~~development—project construction~~ absent certification by
9 the appropriate school district of compliance by that
10 ~~development—project residential construction~~ with any
11 fee, charge, dedication, or other requirement levied by
12 the governing board of that school district pursuant to
13 subdivision (a).

14 (d) Neither subdivision (b) nor (c) shall apply to a city
15 or county as to any fee, charge, dedication, or other
16 requirement as described in subdivision (a), or as to any
17 increase in that fee, charge, dedication, or other
18 requirement, except upon the receipt by that city or
19 county of notification of the adoption of, or increase in,
20 the fee or other requirement in accordance with
21 subdivision (c) of Section 17621.

22 *SEC. 13. Section 81134 is added to the Education*
23 *Code, to read:*

24 *81134. (a) The Department of General Services shall*
25 *establish one or more methods to ensure that each*
26 *application has been completed sufficiently by the*
27 *applicant to enable the plan review to be performed.*

28 *(b) Upon receipt of a complete application, the*
29 *Department of General Services shall inform the*
30 *applicant of the period of time that it anticipates to elapse*
31 *prior to commencing review of the applicant's plans.*
32 *Within 10 days of being so notified, the applicant shall*
33 *make an election to either use the Department of*
34 *General Services for the review of the applicants plans or,*
35 *request the plan review be performed by one or more*
36 *qualified plan review firms pursuant to Sections 81135*
37 *and 81136. If the applicant elects to use the services of the*
38 *Department of General Services for review of the*
39 *applicants plans, the department shall, as necessary to*



1 expedite review of the applicants plans do one or more of
2 the following:

3 (1) Contract for assistance from one or more qualified
4 plan review firms pursuant to Sections 81135 and 81136.

5 (2) Employ additional staff on a temporary basis.

6 (3) Maximize the use of department staff through the
7 use of overtime or other appropriate means.

8 (4) Any other action determined by the department to
9 have the effect of expediting the review and approval
10 process.

11 (c) Each application shall identify, for purposes of
12 receiving the notifications required under this
13 subdivision, an employee of the applicant community
14 college district and either the applicant's architect or
15 structural engineer. The Department of General Services
16 immediately shall notify that employee, and the
17 identified architect or structural engineer, when each of
18 the following steps in the plan review process occurs:

19 (1) The department requests the applicant's architect
20 or structural engineer to correct or complete any part of
21 the application.

22 (2) An application number is assigned to the
23 application.

24 (3) Review of the applicant's plans is commenced.

25 (4) Review of the applicant's plans is completed and
26 the department returns the plans to the architect or
27 structural engineer for correction.

28 (5) Corrected plans are returned to the department
29 by the applicant's architect or structural engineer for
30 final review and approval.

31 (6) The department approves the plans and causes a
32 final record set of the plans to be printed in accordance
33 with Section 17304.

34 (d) The Department of General Services may provide
35 additional notifications to applicants as it deems
36 necessary.

37 SEC. 14. Section 81135 is added to the Education
38 Code, to read:

39 81135. (a) Notwithstanding Section 14952 of the
40 Government Code, the Department of General Services



1 shall contract with sufficient numbers of qualified plan
2 review firms for assistance in performing the plan review
3 required under this article or Article 5 (commencing
4 with Section 17350).

5 (b) For purposes of this article, “qualified plan review
6 firm” means an individual, firm, or the building official of
7 a city, county, or city and county, that is identified by the
8 Department of General Services as having appropriate
9 expertise and knowledge of the requirements that apply
10 to school buildings under this article. The department
11 shall establish and maintain a list of the individuals and
12 firms so identified, and shall make that list available, upon
13 request, to community college districts and other
14 interested parties.

15 SEC. 15. Section 81136 is added to the Education
16 Code, to read:

17 81136. (a) Upon submitting a complete application
18 for review under this article, the applicant may request
19 that the Department of General Services refer the
20 documents necessary for the review of that application to
21 a qualified plan review firm operating under contract
22 with the department pursuant to Section 81135. The
23 department immediately shall grant the request and
24 refer the necessary documents to a qualified plan review
25 firm if the applicant so requests. Upon completing the
26 review, the qualified plan review firm shall submit the
27 documents referred to it for the review of the application,
28 together with the results of its review, to the Department
29 of General Services.

30 (b) The Department of General Services shall
31 establish a procedure governing the use by applicants of
32 the review process alternative described in this section,
33 including, but not limited to, provisions restricting the
34 use of qualified plan review firms on the basis of conflict
35 of interest.

36 SEC. 16. Part 68 (commencing with Section 100400)
37 is added to the Education Code, to read:

38



1 PART 68. PUBLIC EDUCATION BONDS

2
3 CHAPTER 1. CLASS SIZE REDUCTION

4 KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES

5 BOND ACT OF 1998

6
7 100400. *This part shall be known and may be cited as*
8 *the Class Size Reduction Kindergarten-University Public*
9 *Education Facilities Bond Act of 1998.*

10 100401. *The incorporation of, or reference to, any*
11 *provisions of California statutory law in this part includes*
12 *all acts amendatory thereof and supplementary thereto.*

13 100403. (a) *Bonds in the total amount of nine billion*
14 *dollars (\$9,000,000,000), not including the amount of any*
15 *refunding bonds issued in accordance with Chapter 2*
16 *(commencing with Section 100410) and Chapter 3*
17 *(commencing with Section 100450), or so much thereof*
18 *as is necessary, may be issued and sold to provide a fund*
19 *to be used for carrying out the purposes expressed in this*
20 *part and to reimburse the General Obligation Bond*
21 *Expense Revolving Fund pursuant to Section 16724.5 of*
22 *the Government Code. The bonds, when sold, shall be*
23 *and constitute a valid and binding obligation of the State*
24 *of California, and the full faith and credit of the State of*
25 *California is hereby pledged for the punctual payment of*
26 *the principal of, and interest on, the bonds as the principal*
27 *and interest become due and payable.*

28 (b) *Pursuant to this section, the Treasurer shall sell the*
29 *bonds authorized by the State School Building Finance*
30 *Committee established by Section 15909 and the Higher*
31 *Education Facilities Finance Committee established*
32 *pursuant to Section 67353 at any different times necessary*
33 *to service expenditures required by the apportionments.*

34 100405. *For purposes of this part, “Chapter 12” means*
35 *Chapter 12 (commencing with Section 17000) of Part 10*
36 *and “Chapter 12.5” means Chapter 12.5 (commencing*
37 *with Section 17070.10) of Part 10.*

38



1 CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE
23
4 Article 1. Kindergarten Through 12th Grade School
5 Facilities Program Provisions
6

7 100410. (a) Three billion two hundred fifty million
8 dollars (\$3,250,000,000) of the proceeds of bonds issued
9 and sold pursuant to this part shall be deposited in the
10 1998 State School Facilities Fund, which is established by
11 Section 17070.40, and allocated by the State Allocation
12 Board pursuant to this chapter. Before requesting the sale
13 of bonds pursuant to Section 100432 for deposit in the
14 State School Facilities Fund, the State Allocation Board
15 shall request, pursuant to Section 100432, the sale of bonds
16 sufficient to finance all projects for which application was
17 made pursuant to the Leroy F. Greene State School
18 Building Lease-Purchase Law of 1976 (Chapter 12
19 (commencing with Section 17000) of Part 10) and for
20 which an application was approved for an apportionment
21 for construction, but funding was not available, prior to
22 July 15, 1998.

23 (b) In addition to the amount specified in subdivision
24 (a), three billion two hundred fifty million dollars
25 (\$3,250,000,000) of the bonds authorized by this chapter
26 shall only be issued and sold pursuant to this chapter on
27 or after July 1, 2000, and the proceeds of those bonds shall
28 be deposited in the 1998 State School Facilities Fund and
29 allocated by the State Allocation Board pursuant to this
30 chapter.

31 100415. (a) All moneys deposited in the 1998 State
32 School Facilities Fund pursuant to this chapter shall be
33 available and, notwithstanding any other provision of law
34 to the contrary, are hereby appropriated to provide aid
35 to school districts of the state in accordance with the
36 Leroy F. Greene State School Building Lease-Purchase
37 Law of 1976 (Chapter 12 (commencing with Section
38 17000) of Part 10) and in accordance with the Leroy F.
39 Greene School Facilities Act of 1998 (Chapter 12.5
40 (commencing with Section 17070.10) of Part 10), to



1 provide aid to school districts, county superintendents of
2 schools, and county boards of education of the state in
3 accordance with Section 100420, to provide funds to repay
4 any money advanced or loaned to the 1998 State School
5 Facilities Fund under any act of the Legislature, together
6 with interest provided for in that act, and to reimburse
7 the General Obligation Bond Expense Revolving Fund
8 pursuant to Section 16724.5 of the Government Code.

9 (b) The bonds issued and sold pursuant to this chapter
10 shall fund kindergarten and grades 1 through 12,
11 inclusive, school constructions for a four-year period.

12 100420. (a) Of the proceeds from the sale of bonds,
13 issued and sold pursuant to this chapter, as specified in
14 subdivision (a) of Section 100410, not more than three
15 billion two hundred fifty million dollars (\$3,250,000,000)
16 shall be allocated beginning in the 1998–99 fiscal year in
17 accordance with the following schedule:

18 (1) Not less than one billion three hundred fifty
19 million dollars (\$1,350,000,000) for project funding
20 related to the growth in enrollment of applicant school
21 districts under Chapter 12 and Chapter 12.5 that have
22 incurred or will incur enrollment increases.

23 (2) Not less than seven hundred million dollars
24 (\$700,000,000) for the reconstruction or modernization of
25 facilities pursuant to Chapter 12 and Chapter 12.5.

26 (3) Not more than five hundred million dollars
27 (\$500,000,000) shall be deposited in the Public School
28 Critical Hardship Account, which is hereby established in
29 the 1998 State School Facilities Fund and shall be
30 allocated by the State Allocation Board to fund critical
31 hardships as defined in Chapter 12.5. These funds may be
32 expended for the acquisition of portable classrooms for
33 use in accordance with Chapter 14 (commencing with
34 Section 17085) of Part 10.

35 (4) (A) Not more than seven hundred million dollars
36 (\$700,000,000) may be allocated to assist school districts
37 with site acquisition and facilities-related costs of
38 kindergarten and grades 1 to 3, inclusive, that are in the
39 Class Size Reduction Program contained in Chapter 6.10
40 (commencing with Section 52120) of Part 28 and Chapter



1 19 (commencing with Section 17200) of Part 10, and to
2 assist districts with the restoration of facilities that
3 previously accommodated other programs and were
4 displaced as a result of the implementation of class size
5 reduction. On and after July 1, 2000, if applications for the
6 total funds available under this paragraph have not been
7 filed with the State Allocation Board, the funds for which
8 applications have not been received may be allocated by
9 the board to other high priority needs as the board
10 determines. On and after July 1, 2003, any funds not
11 allocated are available for other high priority needs.

12 (B) The funds allocated in paragraph (A) shall be
13 allocated to the State Department of Education to
14 provide class size reduction facilities grants in the 1998–99
15 and 1999–2000 fiscal years necessary to implement the K-3
16 Class Size Reduction Program established pursuant to
17 Chapter 6.10 (commencing with Section 52120) of Part 28
18 and Chapter 19 (commencing with Section 17200) of Part
19 10. The department shall certify to the State Allocation
20 Board the amount of funds needed for this purpose. The
21 board shall transfer the amount of funds needed to the
22 department. From these funds, the department shall
23 award eligible districts forty thousand dollars (\$40,000)
24 for each new option one class established for class size
25 reduction for which the district had not previously
26 received funding under class size reduction facilities
27 programs.

28 (C) The remaining funds provided pursuant to
29 subdivision (A) shall be to provide funding for schoolsites
30 that were eligible to receive a class size reduction
31 land-locked waiver pursuant to Section 52122.6. The
32 funds may be provided to districts to provide 50 percent
33 of the cost of funding a facilities mitigation plan
34 developed for the impacted site pursuant to Section
35 52122.7.

36 (D) In addition to the funding provided pursuant to
37 (C), a district may request funding of forty thousand
38 dollars (\$40,000) for each teaching station that was
39 displaced as a result of the implementation of class size
40 reduction. Programs for which teaching stations may be



1 restored may include child care, extended day care,
2 school libraries, and computer labs.

3 (b) Of the proceeds from the sale of bonds issued and
4 sold pursuant to this chapter, as specified in subdivision
5 (b) of Section 100410, not more than three billion two
6 hundred fifty million dollars (\$3,250,000,000) shall be
7 allocated beginning in the 2000–01 fiscal year in
8 accordance with the following schedule:

9 (1) Not less than one billion five hundred fifty million
10 dollars (\$1,550,000,000) for project funding related to the
11 growth in enrollment of applicant school districts under
12 Chapter 12.5 that have incurred or will incur enrollment
13 increases.

14 (2) Not less than one billion two hundred million
15 dollars (\$1,200,000,000) for the reconstruction or
16 modernization of facilities pursuant to Chapter 12.5.

17 (3) Not more than five hundred million dollars
18 (\$500,000,000) shall be deposited in the Public School
19 Critical Hardship Account in the 1998 State School
20 Facilities Fund and shall be allocated by the State
21 Allocation Board to fund critical hardships as defined in
22 Chapter 12.5. These funds may be expended for the
23 acquisition of portable classrooms for use in accordance
24 with Chapter 14 (commencing with Section 17085) of
25 Part 10.

26 (c) Districts may use funds allocated pursuant to
27 paragraph (2) of subdivision (a) and paragraph (2) of
28 subdivision (b) for one or more of the following purposes
29 in accordance with Chapter 12.5:

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

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

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

37 (4) Project funding for high priority roof replacement
38 projects.

39 (5) Any other renovation or modernization of facilities
40 pursuant to Chapter 12.5.



1 (d) Funds allocated pursuant to paragraph (1) of
2 subdivision (a) and paragraph (1) of subdivision (b) may
3 be utilized to provide new construction grants, without
4 regard to funding priorities, for applicant county boards
5 of education under Chapter 12.5 that are eligible for that
6 funding or classrooms for severely handicapped pupils
7 and funding for classrooms for county community school
8 pupils.

9

10 Article 2. Kindergarten Through 12th Grade School
11 Facilities Fiscal Provisions

12

13 100425. (a) Bonds in the total amount of six billion
14 five hundred million dollars (\$6,500,000,000), not
15 including the amount of any refunding bonds issued in
16 accordance with Section 100444, or so much thereof as is
17 necessary, may be issued and sold to provide a fund to be
18 used for carrying out the purposes expressed in this
19 chapter and to reimburse the General Obligation Bond
20 Expense Revolving Fund pursuant to Section 16724.5 of
21 the Government Code. The bonds, when sold, shall be
22 and constitute a valid and binding obligation of the State
23 of California, and the full faith and credit of the State of
24 California is hereby pledged for the punctual payment of
25 the principal of, and interest on, the bonds as the principal
26 and interest become due and payable.

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

32 100427. The State School Building Finance
33 Committee, established by Section 15909 and composed
34 of the Governor, the Controller, the Treasurer, the
35 Director of Finance, and the Superintendent of Public
36 Instruction, or their designated representatives, all of
37 whom shall serve thereon without compensation, and a
38 majority of whom shall constitute a quorum, is continued
39 in existence for the purpose of this chapter. The
40 Treasurer shall serve as chairperson of the committee.



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

16 *100430. (a) The bonds authorized by this chapter*
17 *shall be prepared, executed, issued, sold, paid, and*
18 *redeemed as provided in the State General Obligation*
19 *Bond Law (Chapter 4 (commencing with Section 16720)*
20 *of Part 3 of Division 4 of Title 2 of the Government Code),*
21 *and all of the provisions of that law, except Section 16727*
22 *of the Government Code, apply to the bonds and to this*
23 *chapter and are hereby incorporated in this chapter as*
24 *though set forth in full in this chapter.*

25 *(b) For purposes of the State General Obligation Bond*
26 *Law, the State Allocation Board is designated the “board”*
27 *for purposes of administering the 1998 State School*
28 *Facilities Fund.*

29 *100432. Upon request of the State Allocation Board*
30 *from time to time, supported by a statement of the*
31 *apportionments made and to be made for the purposes*
32 *described in Sections 100415 and 100420, the State School*
33 *Building Finance Committee shall determine whether or*
34 *not it is necessary or desirable to issue bonds authorized*
35 *pursuant to this chapter in order to fund the*
36 *apportionments and, if so, the amount of bonds to be*
37 *issued and sold. Successive issues of bonds may be*
38 *authorized and sold to fund those apportionments*
39 *progressively, and it is not necessary that all of the bonds*
40 *authorized to be issued be sold at any one time.*



1 100434. *There shall be collected each year and in the*
2 *same manner and at the same time as other state revenue*
3 *is collected, in addition to the ordinary revenues of the*
4 *state, a sum in an amount required to pay the principal*
5 *of, and interest on, the bonds each year. It is the duty of*
6 *all officers charged by law with any duty in regard to the*
7 *collection of the revenue to do and perform each and*
8 *every act which is necessary to collect that additional*
9 *sum.*

10 100435. *Notwithstanding Section 13340 of the*
11 *Government Code, there is hereby appropriated from*
12 *the General Fund in the State Treasury, for the purposes*
13 *of this chapter, an amount that will equal the total of the*
14 *following:*

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

19 (b) *The sum necessary to carry out Section 100440,*
20 *appropriated without regard to fiscal years.*

21 100436. *The State Allocation Board may request the*
22 *Pooled Money Investment Board to make a loan from the*
23 *Pooled Money Investment Account or any other*
24 *approved form of interim financing, in accordance with*
25 *Section 16312 of the Government Code, for the purpose*
26 *of carrying out this chapter. The amount of the request*
27 *shall not exceed the amount of the unsold bonds that the*
28 *committee, by resolution, has authorized to be sold for the*
29 *purpose of carrying out this chapter. The board shall*
30 *execute any documents required by the Pooled Money*
31 *Investment Board to obtain and repay the loan. Any*
32 *amounts loaned shall be deposited in the fund to be*
33 *allocated by the board in accordance with this chapter.*

34 100438. *Notwithstanding any other provision of this*
35 *chapter, or of the State General Obligation Bond Law, if*
36 *the Treasurer sells bonds pursuant to this chapter that*
37 *include a bond counsel opinion to the effect that the*
38 *interest on the bonds is excluded from gross income for*
39 *federal tax purposes, subject to designated conditions, the*
40 *Treasurer may maintain separate accounts for the*



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

10 100440. For the purposes of carrying out this chapter,
11 the Director of Finance may authorize the withdrawal
12 from the General Fund of an amount not to exceed the
13 amount of the unsold bonds that have been authorized by
14 the State School Building Finance Committee to be sold
15 for the purpose of carrying out this chapter. Any amounts
16 withdrawn shall be deposited in the 1998 State School
17 Facilities Fund consistent with this chapter. Any money
18 made available under this section shall be returned to the
19 General Fund, plus an amount equal to the interest that
20 the money would have earned in the Pooled Money
21 Investment Account, from proceeds received from the
22 sale of bonds for the purpose of carrying out this chapter.

23 100442. All money deposited in the 1998 State School
24 Facilities Fund, that is derived from premium and
25 accrued interest on bonds sold shall be reserved in the
26 fund and shall be available for transfer to the General
27 Fund as a credit to expenditures for bond interest.

28 100444. The bonds may be refunded in accordance
29 with Article 6 (commencing with Section 16780) of
30 Chapter 4 of Part 3 of Division 4 of Title 2 of the
31 Government Code, which is a part of the State General
32 Obligation Bond Law. Approval by the voters of the state
33 for the issuance of the bonds described in this chapter
34 includes the approval of the issuance of any bonds issued
35 to refund any bonds originally issued under this chapter
36 or any previously issued refunding bonds.

37 100446. The Legislature hereby finds and declares
38 that, inasmuch as the proceeds from the sale of bonds
39 authorized by this chapter are not "proceeds of taxes" as
40 that term is used in Article XIII B of the California



1 *Constitution, the disbursement of these proceeds is not*
2 *subject to the limitations imposed by that article.*

3

4

CHAPTER 3. HIGHER EDUCATION FACILITIES

5

6

Article 1. Program Provision

7

8 *100450. The Legislature finds and declares all of the*
9 *following:*

10 *(a) California's economic and social prosperity relies*
11 *on a higher education system that keeps pace with*
12 *California's growth. In the coming decades, the state's*
13 *economic prosperity will depend on increasing the*
14 *productivity of the work force and on the ability to*
15 *compete successfully in the world marketplace.*

16 *(b) The system of public higher education in this state*
17 *includes the University of California, the Hastings*
18 *College of the Law, the California State University, the*
19 *California Community Colleges, and their respective*
20 *off-campus centers. Each of these institutions plays a vital*
21 *role in maintaining California's dominance in higher*
22 *education in the United States.*

23 *(c) Over the last several years, studies have been*
24 *completed by the California Postsecondary Education*
25 *Commission, the University of California, the California*
26 *State University, and the California Community Colleges*
27 *to assess their long-term and short-term capital needs.*
28 *Those studies demonstrate that the long-term and*
29 *short-term needs total, in the aggregate, seven hundred*
30 *fifty million dollars (\$750,000,000) per year into the next*
31 *century.*

32 *(d) Proceeds from the sale of bonds issued and sold*
33 *pursuant to this chapter may be used to fund the*
34 *expansion and renovation of existing campuses and*
35 *development of new campuses at the University of*
36 *California and the Hastings College of the Law, and for*
37 *new and small campuses with enrollments of less than*
38 *5,000 full time equivalent students at the California State*
39 *University and the California Community Colleges, and*



1 for the off-campus centers of the California State
2 University and the California Community Colleges.

3 (e) The purposes of this article include assisting in
4 meeting the capital outlay financing needs of California's
5 public higher education system.

6 100455. (a) Two billion five hundred million dollars
7 (\$2,500,000,000) of the proceeds of bonds issued and sold
8 pursuant to this part shall be deposited in the 1998 Higher
9 Education Capital Outlay Bond Fund which is hereby
10 established in the State Treasury. These funds shall be
11 available for expenditure when appropriated.

12 (b) One billion two hundred fifty million dollars
13 (\$1,250,000,000) of the bonds described in subdivision (a),
14 shall only be issued and sold pursuant to this chapter on
15 or after July 1, 2000.

16 100457. Of the amount of bonds issued and sold
17 pursuant to subdivision (b) of Section 100455, one
18 hundred sixty-five million dollars (\$165,000,000) shall be
19 allocated in the 2000–01 fiscal year to be available for
20 allocation only for the purposes of the development of
21 new campuses of the University of California, and new
22 and small campuses and off-campus centers at the
23 California State University and the California
24 Community Colleges pursuant to subdivision (d) of
25 Section 100450. The amount of the allocation of funds
26 required pursuant to this section for the development of
27 new campuses may be reduced by a future legislative act
28 if the Legislature finds that state funds have been
29 provided from sources other than the proceeds of bonds
30 for capital outlay costs. The reduction shall be limited to
31 the amount actually provided from sources other than
32 bond proceeds.

33 100460. The Higher Education Facilities Finance
34 Committee established pursuant to Section 67353 is
35 hereby authorized to create a debt or debts, liability or
36 liabilities, of the State of California pursuant to this
37 chapter for the purpose of providing funds to aid the
38 University of California, the Hastings College of the Law,
39 the California State University, and the California
40 Community Colleges.



1 Article 2. *Higher Education Fiscal Provisions*

2
3 100500. (a) *Bonds in the total amount of two billion*
4 *five hundred million dollars (\$2,500,000,000), not*
5 *including the amount of any refunding bonds issued in*
6 *accordance with Section 100555, or so much thereof as is*
7 *necessary, may be issued and sold to provide a fund to be*
8 *used for carrying out the purposes expressed in this*
9 *chapter and to reimburse the General Obligation Bond*
10 *Expense Revolving Fund pursuant to Section 16724.5 of*
11 *the Government Code. The bonds, when sold, shall be*
12 *and constitute a valid and binding obligation of the State*
13 *of California, and the full faith and credit of the State of*
14 *California is hereby pledged for the punctual payment of*
15 *the principal of, and interest on, the bonds as the principal*
16 *and interest become due and payable.*

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

22 100510. (a) *The bonds authorized by this chapter*
23 *shall be prepared, executed, issued, sold, paid, and*
24 *redeemed as provided in the State General Obligation*
25 *Bond Law (Chapter 4 (commencing with Section 16720)*
26 *of Part 3 of Division 4 of Title 2 of the Government Code),*
27 *and all of the provisions of that law, except Section 16727*
28 *of the Government Code, apply to the bonds and to this*
29 *chapter and are hereby incorporated in this chapter as*
30 *though set forth in full in this chapter.*

31 (b) *For the purposes of the State General Obligation*
32 *Bond Law, each state agency administering an*
33 *appropriation of the 1998 Higher Education Capital*
34 *Outlay Bond Fund is designated as the “board” for*
35 *projects funded pursuant to this chapter.*

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



1 on existing or new campuses, and their respective
2 off-campus centers, including the construction of
3 buildings and the acquisition of related fixtures,
4 renovation, and reconstruction of facilities, for the
5 acquisition of sites upon which these facilities are to be
6 constructed, for the equipping of new, renovated, or
7 reconstructed facilities, which equipment shall have a
8 useful life of at least 10 years, to provide funds for
9 payment of preconstruction costs, including, but not
10 limited to, preliminary plans and working drawings.

11 100520. The Higher Education Facilities Finance
12 Committee established pursuant to Section 67353 shall
13 authorize the issuance of bonds under this chapter only
14 to the extent necessary to fund the apportionments for
15 the purposes described in this chapter that are expressly
16 authorized by the Legislature in the annual Budget Act.
17 Pursuant to that legislative direction, the committee shall
18 determine whether or not it is necessary or desirable to
19 issue bonds authorized pursuant to this chapter in order
20 to carry out the purposes described in this chapter and,
21 if so, the amount of bonds to be issued and sold. Successive
22 issues of bonds may be authorized and sold to carry out
23 those actions progressively, and it is not necessary that all
24 of the bonds authorized to be issued be sold at any one
25 time.

26 100525. There shall be collected each year and in the
27 same manner and at the same time as other state revenue
28 is collected, in addition to the ordinary revenues of the
29 state, a sum in an amount required to pay the principal
30 of, and interest on, the bonds each year. It is the duty of
31 all officers charged by law with any duty in regard to the
32 collection of the revenue to do and perform each and
33 every act which is necessary to collect that additional
34 sum.

35 100530. Notwithstanding Section 13340 of the
36 Government Code, there is hereby appropriated from
37 the General Fund in the State Treasury, for the purposes
38 of this chapter, an amount that will equal the total of the
39 following:

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

5 (b) *The sum necessary to carry out Section 100545,*
6 *appropriated without regard to fiscal years.*

7 100535. *The board, as defined in subdivision (b) of*
8 *Section 100510, may request the Pooled Money*
9 *Investment Board to make a loan from the Pooled Money*
10 *Investment Account or any other approved form of*
11 *interim financing, in accordance with Section 16312 of the*
12 *Government Code, for the purpose of carrying out this*
13 *chapter. The amount of the request shall not exceed the*
14 *amount of the unsold bonds that the committee, by*
15 *resolution, has authorized to be sold for the purpose of*
16 *carrying out this chapter. The board, as defined in*
17 *subdivision (b) of Section 100510, shall execute any*
18 *documents required by the Pooled Money Investment*
19 *Board to obtain and repay the loan. Any amounts loaned*
20 *shall be deposited in the fund to be allocated by the board*
21 *in accordance with this chapter.*

22 100540. *Notwithstanding any other provision of this*
23 *chapter, or of the State General Obligation Bond Law, if*
24 *the Treasurer sells bonds pursuant to this chapter that*
25 *include a bond counsel opinion to the effect that the*
26 *interest on the bonds is excluded from gross income for*
27 *federal tax purposes, subject to designated conditions, the*
28 *Treasurer may maintain separate accounts for the*
29 *investment of bond proceeds and for the investment*
30 *earnings on those proceeds. The Treasurer may use or*
31 *direct the use of those proceeds or earnings to pay any*
32 *rebate, penalty, or other payment required under federal*
33 *law or take any other action with respect to the*
34 *investment and use of those bond proceeds required or*
35 *desirable under federal law to maintain the tax-exempt*
36 *status of those bonds and to obtain any other advantage*
37 *under federal law on behalf of the funds of this state.*

38 100545. (a) *For the purposes of carrying out this*
39 *chapter, the Director of Finance may authorize the*
40 *withdrawal from the General Fund of an amount not to*



1 exceed the amount of the unsold bonds that have been
2 authorized by the Higher Education Facilities Finance
3 Committee to be sold for the purpose of carrying out this
4 chapter. Any amounts withdrawn shall be deposited in
5 the 1998 Higher Education Capital Outlay Bond Fund
6 consistent with this chapter. Any money made available
7 under this section shall be returned to the General Fund,
8 plus an amount equal to the interest that the money
9 would have earned in the Pooled Money Investment
10 Account, from proceeds received from the sale of bonds
11 for the purpose of carrying out this chapter.

12 (b) Any request forwarded to the Legislature and the
13 Department of Finance for funds from this bond issue for
14 expenditure for the purposes described in this chapter by
15 the University of California, the California State
16 University, or the California Community Colleges shall
17 be accompanied by the five-year capital outlay plan.
18 Requests forwarded by a university or college shall
19 include a schedule that prioritizes the seismic retrofitting
20 needed to significantly reduce, by the 2002–03 fiscal year,
21 in the judgment of the particular university or college,
22 seismic hazards in buildings identified as high priority by
23 the university or college. Requests forwarded by the
24 California Community Colleges shall be accompanied by
25 a five-year capital outlay plan reflecting the needs and
26 priorities of the community college system, prioritized on
27 a statewide basis.

28 100550. All money deposited in the 1998 Higher
29 Education Capital Outlay Bond Fund that is derived from
30 premium and accrued interest on bonds sold shall be
31 reserved in the fund and shall be available for transfer to
32 the General Fund as a credit to expenditures for bond
33 interest.

34 100555. The bonds may be refunded in accordance
35 with Article 6 (commencing with Section 16780) of
36 Chapter 4 of Part 3 of Division 4 of Title 2 of the
37 Government Code, which is a part of the State General
38 Obligation Bond Law. Approval by the voters of the state
39 for the issuance of the bonds described in this chapter
40 includes the approval of the issuance of any bonds issued

1 to refund any bonds originally issued under this chapter
2 or any previously issued refunding bonds.

3 100560. The Legislature hereby finds and declares
4 that, inasmuch as the proceeds from the sale of bonds
5 authorized by this chapter are not “proceeds of taxes” as
6 that term is used in Article XIII B of the California
7 Constitution, the disbursement of these proceeds is not
8 subject to the limitations imposed by that article.

9 SEC. 17. Section 1003 of the Elections Code is
10 amended to read:

11 1003. This chapter shall not apply to the following:

12 ~~(1)~~

13 (a) Any special election called by the Governor.

14 ~~(2)~~

15 (b) Elections held in chartered cities or chartered
16 counties in which the charter provisions are inconsistent
17 with this chapter.

18 ~~(3)~~

19 (c) School governing board elections consolidated
20 pursuant to Section 5006 of the Education Code or
21 initiated by petition pursuant to Section 5091 of the
22 Education Code.

23 ~~(4)~~

24 (d) Elections of any kind required or permitted to be
25 held by a school district located in a chartered city or
26 county when the election is consolidated with a regular
27 city or county election held in a jurisdiction that includes
28 95 percent or more of the school district’s population.

29 ~~(5)~~

30 (e) County, municipal, district, and school district
31 initiative, referendum, or recall elections.

32 ~~(6)~~

33 (f) Any election conducted solely by mailed ballot
34 pursuant to Division 4 (commencing with Section 4000).

35 (g) Elections held pursuant to Article 1 (commencing
36 with Section 15100) of Chapter 1 of Part 10 of the
37 Education Code.

38 SEC. 18. Section 4420 of the Government Code is
39 amended to read:



1 4420. (a) ~~No~~*An* officer or employee of this state, or
2 of any public agency or of any public authority, and ~~no~~ *a*
3 person acting or purporting to act on behalf of any officer,
4 employee, or public agency or authority, except a public
5 agency or authority created pursuant to agreement or
6 compact with another state, ~~shall~~ *may not*, with respect
7 to any public building or construction contract that is
8 about to be or that has been competitively bid, require
9 the bidder to make application to, or furnish financial
10 data to, or to obtain or procure any surety bond or
11 contract of insurance specified in connection with the
12 contract, or specified by any law, ordinance, or
13 regulation, from, a particular surety or insurance
14 company, agent, or broker.

15 (b) ~~No~~ *An* officer or employee, or person, firm, or
16 corporation acting or purporting to act on behalf of any
17 officer or employee, ~~shall~~ *may not* negotiate, make
18 application for, obtain, or procure any surety bond or
19 contract of insurance, except contracts of insurance for
20 builder's risk or owner's protective liability, that can be
21 obtained or procured by the bidder, contractor, or
22 subcontractor.

23 (c) Subdivision (b) shall not apply to ~~the~~ *any of the*
24 *following*:

25 (1) *The* construction of any exclusive public mass
26 transit guideway project in any county with a population
27 exceeding 5,000,000, or in the County of Santa Clara or the
28 City and County of San Francisco; ~~to any.~~

29 (2) *An* exclusive public mass transit guideway project
30 undertaken by either the San Francisco Bay Area Rapid
31 Transit District or the Sacramento Regional Transit
32 District; ~~to any.~~

33 (3) *An* airport expansion project undertaken at the
34 San Francisco International Airport; ~~to any.~~

35 (4) A water, wastewater, or reclamation project
36 undertaken by a public agency serving a population
37 exceeding 250,000; ~~to any.~~

38 (5) *An* exclusive public water storage or conveyance
39 facility undertaken by a metropolitan water district that
40 was organized under the Metropolitan Water District



1 Act, Chapter 209 of the Statutes of 1969, as amended;~~to~~
2 ~~any.~~

3 (6) A county medical center within San Bernardino
4 County or Riverside County;~~to any.~~

5 (7) A construction project undertaken by the harbor
6 departments of the City of Los Angeles and the City of
7 Long Beach, or any joint powers authority formed by the
8 City of Los Angeles and the City of Long Beach, for the
9 purpose of improving the Alameda Corridor;~~to any.~~

10 (8) A construction or renovation project undertaken
11 by the Foothill/Eastern or San Joaquin Hills
12 Transportation Corridor Agencies in Orange County;~~or~~
13 ~~to.~~

14 (9) *The* construction or renovation of additions to any
15 county medical center located within Santa Clara
16 County.

17 (10) *A construction project undertaken by a public*
18 *school district.*

19 (d) (1) Notwithstanding subdivision (b),
20 commencing January 1, 1996, a public agency may utilize
21 owner-controlled or wrap-up insurance programs if all of
22 the following conditions are met:

23 (A) The total cost of the public works project is over
24 one hundred twenty-five million dollars (\$125,000,000) *or*
25 *it is a public school project.*

26 (B) The program maintains completed operation
27 coverage for a term for which the Insurance
28 Commissioner has determined that coverage is
29 reasonably commercially available, but in no event less
30 than three years.

31 (C) Bid specifications clearly specify for all bidders the
32 insurance coverage provided under the program, and
33 minimum safety requirements that must be met.

34 (D) The program does not prohibit a contractor or
35 subcontractor from purchasing any additional insurance
36 coverage that a contractor or subcontractor believes is
37 necessary to protect themselves from any liability arising
38 out of the contract.

39 (E) The program does not include surety insurance.



1 (2) Safety requirements for a public works project
2 subject to this subdivision may be developed jointly
3 between the public agency and the prime contractor. In
4 the event the public agency requires a safety program
5 different than the prime contractor's usual and
6 customary program, the program shall be mutually
7 agreed upon, taking into account the prime contractor's
8 experience, expertise, existing labor agreements relating
9 to safety issues, and any unique safety issues relating to
10 the project.

11 (3) This subdivision shall not affect any provision in a
12 collective bargaining agreement specified in Section
13 3201.5 of the Labor Code that is submitted by the prime
14 contractor with its construction bid.

15 (4) For purposes of this subdivision,
16 "owner-controlled or wrap-up insurance" means a series
17 of insurance policies issued to cover all of the contractors
18 and subcontractors on a given project for purposes of
19 general liability and workers' compensation.

20 (5) For purposes of this subdivision, "public works
21 project" means construction being performed at one site
22 or at a series of contiguous sites separated only by a street,
23 roadway, waterway, or railroad right-of-way, or along a
24 continuous system for the provision of water and power.

25 (e) As used in this section, "public agency" means any
26 city, county, city and county, district, municipal or public
27 corporation, or any agency or instrumentality thereof.

28 *SEC. 19. Section 65995 of the Government Code is*
29 *amended to read:*

30 65995. (a) Except for a fee, charge, dedication, or
31 other requirement authorized under Section ~~53080~~ 17620
32 *of the Education Code*, or pursuant to Chapter 4.7
33 (commencing with Section 65970), ~~no~~ a fee, charge,
34 dedication, or other requirement ~~shall be levied by the~~
35 ~~legislative body of a local agency against a development~~
36 ~~project, as defined in Section 53080, for the construction~~
37 ~~or reconstruction of school facilities~~ *for the construction*
38 *or reconstruction of school facilities may not be levied or*
39 *imposed in connection with, or made a condition of, any*
40 *legislative or adjudicative act, or both, by any state or*



1 local agency involving, but not limited to, the planning,
2 use, or development of real property, or any change in
3 governmental organization or reorganization, as defined
4 in Section 56021 or 56073. A condition that prohibits the
5 issuance of a building permit for new construction until
6 payment of a fee, charge, dedication, or other
7 requirement for the construction or reconstruction of
8 school facilities authorized under Section 17620 of the
9 Education Code, shall be imposed at the time of approval
10 or conditional approval of the tentative subdivision map,
11 vesting tentative map, or parcel map. If the construction
12 does not require a tentative or parcel map, the fee,
13 charge, dedication, or other requirement may be
14 imposed on a similar approval, such as a planned unit
15 development permit, site development, or a conditional
16 use permit that authorizes construction.

17 (b) ~~In no event shall the~~ Except as provided in
18 Sections 65995.5 and 65995.7, the amount of any fees,
19 charges, dedications, or other requirements authorized
20 under Section ~~53080~~ 17620 of the Education Code, or
21 pursuant to Chapter 4.7 (commencing with Section
22 65970), or both, may not exceed the following:

23 (1) ~~One dollar and fifty cents (\$1.50)~~ In the case of
24 residential construction, including the location,
25 installation, or occupancy of manufactured homes and
26 mobilehomes, one dollar and ninety-three cents (\$1.93)
27 per square foot of assessable space, ~~in the case of any~~
28 ~~residential development.~~ “Assessable space,” for this
29 purpose, means all of the square footage within the
30 perimeter of a residential structure, not including any
31 carport, walkway, garage, overhang, patio, enclosed
32 patio, detached accessory structure, or similar area. The
33 amount of the square footage within the perimeter of a
34 residential structure shall be calculated by the building
35 department of the city or county issuing the building
36 permit, in accordance with the standard practice of that
37 city or county in calculating structural perimeters.
38 “Manufactured home” and “mobilehome” have the
39 meanings set forth in subdivision (f) of Section 17625 of
40 the Education Code. The application of any fee, charge,



1 *dedication, or other form of requirement to the location,*
2 *installation, or occupancy of manufactured homes and*
3 *mobilehomes is subject to Section 17625 of the Education*
4 *Code.*

5 (2) In the case of any commercial or industrial
6 ~~development construction, twenty-five cents (\$0.25)~~
7 *thirty-one cents (\$0.31)* per square foot of chargeable
8 covered and enclosed space. “Chargeable covered and
9 enclosed space,” for this purpose, means the covered and
10 enclosed space determined to be within the perimeter of
11 a commercial or industrial structure, not including any
12 storage areas incidental to the principal use of the
13 ~~development construction, garage, parking structure,~~
14 unenclosed walkway, or utility or disposal area. The
15 determination of the chargeable covered and enclosed
16 space within the perimeter of a commercial or industrial
17 structure shall be made by the building department of the
18 city or county issuing the building permit, in accordance
19 with the building standards of that city or county.

20 (3) The amount of the limits set forth in paragraphs
21 (1) and (2) shall be increased in ~~1990~~ 2000, and every two
22 years thereafter, according to the adjustment for inflation
23 set forth in the statewide cost index for class B
24 construction, as determined by the State Allocation
25 Board at its January meeting, which increase shall be
26 effective as of the date of that meeting. ~~The State~~
27 ~~Allocation Board shall not raise the amount of the district~~
28 ~~matching share calculated under Section 17705.5 of the~~
29 ~~Education Code, as a result of the increase under this~~
30 ~~paragraph, until at least 90 days after the date of that~~
31 ~~increase.~~

32 (c) (1) Notwithstanding any other provision of law,
33 during the term of ~~any~~ a contract entered into between
34 a subdivider or builder and a school district, city, county,
35 or city and county, whether general law or chartered, on
36 or before January 1, 1987, that requires the payment of a
37 fee, charge, or dedication for the construction of school
38 facilities as a condition to the approval of residential
39 ~~development construction, neither Section 53080~~ 17620 of



1 *the Education Code* nor this chapter applies to that
2 residential ~~development~~ construction.

3 (2) ~~Any development project for which a final map~~
4 ~~was approved on or before September 1, 1986, is subject~~
5 ~~to only the fee, charge, dedication, or other requirement~~
6 ~~prescribed in any local ordinance in existence on that~~
7 ~~date and applicable to the project.~~ *Notwithstanding any*
8 *other provision of state or local law, construction that is*
9 *subject to a contract entered into between a person and*
10 *a school district, city, county, or city and county, whether*
11 *general law or chartered, after January 1, 1987, and before*
12 *the operative date of the act that adds paragraph (3) that*
13 *requires the payment of a fee, charge, or dedication for*
14 *the construction of school facilities as a condition to the*
15 *approval of construction, may not be affected by the*
16 *provisions of the act that adds paragraph (3).*

17 (3) *Notwithstanding any other provision of state or*
18 *local law, until January 1, 2000, any construction not*
19 *subject to a contract as described in paragraph (2) that is*
20 *carried out on real property for which residential*
21 *development was made subject to a condition relating to*
22 *school facilities imposed by a state or local agency in*
23 *connection with a legislative act approving or authorizing*
24 *the residential development of that property after*
25 *January 1, 1987, and before the operative date of the act*
26 *adding this paragraph, shall be required to comply with*
27 *that condition.*

28 *Notwithstanding any other provision of state or local*
29 *law, on and after January 1, 2000, any construction not*
30 *subject to a contract as described in paragraph (2) that is*
31 *carried out on real property for which residential*
32 *development was made subject to a condition relating to*
33 *school facilities imposed by a state or local agency in*
34 *connection with a legislative act approving or authorizing*
35 *the residential development of that property after*
36 *January 1, 1987, and before the operative date of the act*
37 *adding this paragraph, may not be subject to a fee, charge,*
38 *dedication, or other requirement exceeding the amount*
39 *specified in paragraphs (1) and (2) of subdivision (b), or,*
40 *if a district has increased the limit specified in paragraph*



1 (1) of subdivision (b) pursuant to either Section 65995.5
2 or 65995.7, that increased amount.

3 (4) Any construction that is not subject to a contract as
4 described in paragraph (2), or to paragraph (3), and that
5 satisfies both of the requirements of this paragraph, may
6 not be subject to any increased fee, charge, dedication, or
7 other requirement authorized by the act that adds this
8 paragraph beyond the amount specified in paragraphs
9 (1) and (2) of subdivision (b).

10 (A) A tentative map, development permit, or
11 conditional use permit was approved before the
12 operative date of the act that amends this subdivision.

13 (B) A building permit is issued before January 1, 2000.

14 (d) For purposes of ~~Section 53080~~ and this chapter,
15 “construction” means new construction and
16 reconstruction of existing building for residential,
17 commercial, or industrial. ~~—“residential~~ “Residential,
18 commercial, or industrial—development construction”
19 does not include any facility used exclusively for religious
20 purposes that is thereby exempt from property taxation
21 under the laws of this state, any facility used exclusively
22 as a private full-time day school as described in Section
23 48222 of the Education Code, or any facility that is owned
24 and occupied by one or more agencies of federal, state, or
25 local government. In addition, “commercial or industrial
26 development construction” includes, but is not limited
27 to, any hotel, inn, motel, tourist home, or other lodging for
28 which the maximum term of occupancy for guests does
29 not exceed 30 days, but does not include any residential
30 hotel, as defined in paragraph (1) of subdivision (b) of
31 Section 50519 of the Health and Safety Code.

32 (e) The Legislature finds and declares that the subject
33 of the financing of school facilities with development fees
34 is a matter and the mitigation of the impacts of land use
35 approvals, whether legislative or adjudicative, or both, on
36 the need for school facilities are matters of statewide
37 concern. For this reason, the Legislature hereby occupies
38 the subject matters of ~~mandatory development fees and~~
39 ~~other development requirements for school facilities~~
40 ~~finance to the exclusion of all local measures on the~~



1 ~~subject~~ requirements related to school facilities levied or
2 imposed in connection with, or made a condition of, any
3 land use approval, whether legislative or adjudicative act,
4 or both, and the mitigation of the impacts of land use
5 approvals, whether legislative or adjudicative, or both, on
6 the need for school facilities, to the exclusion of all other
7 measures, financial or nonfinancial, on the subjects. For
8 purposes of this subdivision, “school facilities” means any
9 school-related consideration relating to a school district’s
10 ability to accommodate enrollment.

11 (f) Nothing in this section shall be interpreted to limit
12 or prohibit the use of Chapter 2.5 (commencing with
13 Section 53311) of Division 2 of Title 5 to finance the
14 construction or reconstruction of school facilities.
15 However, the use of Chapter 2.5 (commencing with
16 Section 53311) of Division 2 of Title 5 may not be required
17 as a condition of approval of any legislative or
18 adjudicative act, or both, if the purpose of the community
19 facilities district is to finance school facilities.

20 ~~(g) This section shall become inoperative on January~~
21 ~~1, 1993, and shall remain inoperative until the date that~~
22 ~~Assembly Constitutional Amendment 6 of the 1991-92~~
23 ~~Regular Session fails to receive the approval of a majority~~
24 ~~of the voters voting on the measure, and as of that date~~
25 ~~this section shall become operative. A fee, charge,~~
26 ~~dedication, or other requirement authorized pursuant to~~
27 ~~Section 17620 of the Education Code, or pursuant to~~
28 ~~Chapter 4.7 (commencing with Section 65970) shall be~~
29 ~~expended solely on the school facilities identified in the~~
30 ~~school facilities analysis adopted pursuant to Section~~
31 ~~65997 as being attributable to projected enrollment~~
32 ~~growth from projected new residential housing units, and~~
33 ~~on school facilities needed for enrollment growth from~~
34 ~~reconstruction. (1) The refusal of a person to agree to~~
35 ~~undertake or cause to be undertaken an act relating to~~
36 ~~Chapter 2.5 (commencing with Section 53311) of~~
37 ~~Division 2 of Title 5, including formation of, or annexation~~
38 ~~to, a community facilities district, voting to levy a special~~
39 ~~tax, or authorizing another to vote to levy a special tax,~~
40 ~~may not be a factor when considering the approval of a~~



1 legislative or adjudicative act, or both, involving, but not
2 limited to, the planning, use, or development of real
3 property, or any change in governmental organization or
4 reorganization, as defined in Sections 56021 or 56073, if
5 the purpose of the community facilities district is to
6 finance school facilities.

7 (2) If a person voluntarily elects to establish, or annex
8 into, a community facilities district and levy a special tax
9 approved by landowner vote to finance school facilities,
10 the present value of the special tax specified in the
11 resolution of formation shall be calculated as an amount
12 per square foot of assessable space and that amount shall
13 be a credit against any applicable fee, charge, dedication,
14 or other requirement for the construction or
15 reconstruction of school facilities. For purposes of this
16 paragraph, the calculation of present value shall use the
17 interest rate paid on the United States Treasury's 30-year
18 bond on the date of the formation of, or annexation to, the
19 community facilities district, as the capitalization rate.

20 (3) For purposes of subdivisions (f), (h), and (i), and
21 this subdivision, "school facilities" means any
22 school-related consideration relating to a school district's
23 ability to accommodate enrollment.

24 (h) The payment or satisfaction of a fee, charge, or
25 other requirement levied or imposed pursuant to Section
26 17620 of the Education Code in the amount specified in
27 Section 65995 and, if applicable, any amounts specified in
28 Section 65995.5 or 65995.7 are hereby deemed to be full
29 and complete mitigation of the impacts of any legislative
30 or adjudicative act, or both, involving, but not limited to,
31 the planning, use, or development of real property, or any
32 change in governmental organization or reorganization
33 as defined in Section 56021 or 56073, on the provision of
34 adequate school facilities.

35 (i) A state or local agency may not deny or refuse or
36 approve a legislative or adjudicative act, or both,
37 involving, but not limited to, the planning, use, or
38 development of real property, or any change in
39 governmental organization or reorganization as defined
40 in Section 56021 or 56073 on the basis of a person's refusal

1 to provide school facilities mitigation that exceeds the
2 amounts authorized pursuant to this section or pursuant
3 to Section 65995.5 or 65995.7, as applicable.

4 SEC. 20. Section 65995.5 is added to the Government
5 Code, to read:

6 65995.5. (a) The governing board of a school district
7 may impose the amount calculated pursuant to this
8 section as an alternative to the amount that may be
9 imposed on residential construction calculated pursuant
10 to subdivision (b) of Section 65995.

11 (b) To be eligible to impose the fee, charge,
12 dedication, or other requirement up to the amount
13 calculated pursuant to this section, a governing board
14 shall do all of the following:

15 (1) Make a timely application to the State Allocation
16 Board for new construction funding for which it is eligible
17 and be determined by the board to meet the eligibility
18 requirements for new construction funding set forth in
19 Article 2 (commencing with Section 17071.10) and
20 Article 3 (commencing with Section 17071.75) of Chapter
21 12.5 of Part 10 of the Education Code. A governing board
22 that submits an application to determine the district's
23 eligibility for new construction funding shall be deemed
24 eligible if the State Allocation Board fails to notify the
25 district of the district's eligibility within 120 days of
26 receipt of the application.

27 (2) Conduct and adopt a school facility needs analysis
28 pursuant to Section 65995.6.

29 (3) Satisfy at least two of the requirements set forth in
30 paragraphs (A) to (D), inclusive:

31 (A) The district is a unified or elementary school
32 district that has a substantial enrollment of its elementary
33 school pupils on a multitrack year-round schedule.
34 "Substantial enrollment" for purposes of this paragraph
35 means at least 30 percent of district pupils in kindergarten
36 and grades 1 to 6, inclusive, in the high school attendance
37 area in which all or some of the new residential units
38 identified in the needs analysis are planned for
39 construction. A high school district shall be deemed to
40 have met the requirements of this paragraph if at least 30



1 percent of the high school district's pupils are on a
2 multitrack year-round schedule.

3 (B) The district has placed on the ballot in the
4 previous four years a local general obligation bond to
5 finance school facilities and the measure received at least
6 50 percent plus one of the votes cast.

7 (C) (1) The district has issued debt for capital outlay
8 in an amount equivalent to 15 percent of the district's
9 local bonding capacity, including indebtedness that is
10 repaid from property taxes, parcel taxes, the district's
11 general fund, special taxes levied pursuant to Section 4 of
12 Article XIII A of the California Constitution, special taxes
13 levied pursuant to Chapter 2.5 (commencing with
14 Section 53311) of Division 2 of Title 5 that are approved
15 by a vote of registered voters, and revenues received
16 pursuant to the Community Redevelopment Law (Part
17 1 (commencing with Section 33000) of Division 24 of the
18 Health and Safety Code).

19 (2) The district has issued debt for capital outlay or an
20 amount equivalent to 30 percent of the district's local
21 bonding capacity.

22 (D) At least 20 percent of the teaching stations within
23 the district are relocatable classrooms.

24 (c) The maximum square foot fee, charge, dedication,
25 or other requirement authorized by this section that may
26 be collected in accordance with Chapter 6 (commencing
27 with Section 17620) of Part 10.5 of the Education Code
28 shall be calculated by a governing board of a school
29 district, as follows:

30 (1) The number of unhoused pupils identified in the
31 school facilities needs analysis shall be multiplied by the
32 appropriate amounts provided in subdivision (a) of
33 Section 17072.10. This sum shall be added to the site
34 acquisition and development cost determined pursuant
35 to subdivision (h).

36 (2) The full amount of local funds the governing board
37 has dedicated to facilities necessitated by new
38 construction shall be subtracted from the amount
39 determined pursuant to paragraph (1). Local funds



1 include fees, charges, dedications, or other requirements
2 imposed on commercial or industrial construction.

3 (3) The resulting amount determined pursuant to
4 paragraph (2) shall be divided by the projected total
5 square footage of assessable space of residential units
6 anticipated to be constructed during the next five-year
7 period in the school district or the city and county in
8 which the school district is located. The estimate of the
9 projected total square footage shall be based on
10 information available from the city or county within
11 which the residential units are anticipated to be
12 constructed or a market report prepared by an
13 independent third party.

14 (d) A school district that has a common territorial
15 jurisdiction with a district that imposes the fee, charge,
16 dedication, or other requirement up to the amount
17 calculated pursuant to this section or Section 65995.7, may
18 not impose a fee, charge, dedication, or other
19 requirement on residential construction that exceeds the
20 limit set forth in subdivision (b) of Section 65995 less the
21 portion of that amount it would be required to share
22 pursuant to Section 17623 of the Education Code, unless
23 that district is eligible to impose the fee, charge,
24 dedication, or other requirement up to the amount
25 calculated pursuant to this section or Section 65995.7.

26 (e) Nothing in this section is intended to limit or
27 discourage the joint use of school facilities or to limit the
28 ability of a school district to construct school facilities that
29 exceed the amount of funds authorized by Section 17620
30 of the Education Code and provided by the state grant
31 program, if the additional costs are funded solely by local
32 revenue sources other than fees, charges, dedications, or
33 other requirements imposed on new construction.

34 (f) A fee, charge, dedication, or other requirement
35 authorized under Section 17620 of the Education Code or
36 pursuant to Chapter 4.7 (commencing with Section
37 65970) shall be expended solely on the school facilities
38 identified in the needs analysis as being attributable to
39 projected enrollment growth from the construction of
40 new residential units.



1 (g) “Residential units” and “residences” as used in this
2 section and in Sections 65995.6 and 65995.7 means the
3 development of single-family detached housing units,
4 single-family attached housing units, manufactured
5 homes and mobile homes, as defined in subdivision (f) of
6 Section 17625 of the Education Code, condominiums, and
7 multifamily housing units, including apartments,
8 residential hotels, as defined in paragraph (1) of
9 subdivision (b) of Section 50519 of the Health and Safety
10 Code, and stock cooperatives, as defined in Section 1351
11 of the Civil Code.

12 (h) Site acquisition costs shall not exceed half the
13 amount determined by multiplying the land acreage
14 determined to be necessary under the guidelines of the
15 State Department of Education, as published in the
16 ‘School Site Analysis and Development Handbook,’ as
17 that handbook read as of January 1, 1998, by the estimated
18 cost determined pursuant to Section 17072.12 of the
19 Education Code. Site development costs shall not exceed
20 two times the amount funded by the State Allocation
21 Board.

22 SEC. 21. Section 65995.6 is added to the Government
23 Code, to read:

24 65995.6. (a) The school facilities needs analysis
25 required by paragraph (2) of subdivision (b) of Section
26 65995.5 shall be conducted by the governing board of a
27 school district to determine the need for new school
28 facilities for unhoused pupils that are attributable to
29 projected enrollment growth from the development of
30 new residential units over the next five years. The school
31 facilities needs analysis shall project the number of
32 unhoused elementary, middle, and high school pupils
33 generated by new residential units, in each category of
34 pupil enrolled in the district. This projection of unhoused
35 pupils shall be based on the historical student generation
36 rates of new residential units constructed during the
37 previous five years that are of a similar type of unit to
38 those anticipated to be constructed either in the school
39 district or the city or county in which the school district
40 is located, and relevant planning agency information,



1 such as multiphased development projects, that may
2 modify the historical figures. For purposes of this
3 paragraph, “type” means a single family detached, single
4 family attached, or multifamily unit. The existing school
5 building capacity shall be calculated pursuant to Article
6 2 (commencing with Section 17071.10) of Chapter 12.5 of
7 Part 10 of the Education Code. If a district meets the
8 requirements of paragraph (3) of subdivision (b) of
9 Section 65995.5 by having a substantial enrollment on a
10 multitrack year-round schedule, the determination of
11 whether the district has school building capacity area
12 shall reflect the additional capacity created by the
13 multitrack year-round schedule.

14 (b) When determining the funds necessary to meet its
15 facility needs, the governing board shall do each of the
16 following:

17 (1) Identify and consider any surplus property owned
18 by the district that can be used as a schoolsite or that is
19 available for sale to finance school facilities.

20 (2) Identify and consider the extent to which
21 projected enrollment growth may be accommodated by
22 excess capacity in existing facilities.

23 (3) Identify and consider local sources other than fees,
24 charges, dedications, or other requirements imposed on
25 residential construction available to finance the
26 construction or reconstruction of school facilities needed
27 to accommodate any growth attributable in enrollment
28 attributable to the construction of new residential units.

29 (c) The governing board shall adopt the school facility
30 needs analysis by resolution at a public hearing. The
31 school facilities needs analysis may not be adopted until
32 the school facilities needs analysis in its final form has
33 been made available to the public for a period of not less
34 than 30 days during which time the school facilities needs
35 analysis shall be provided to the local agency responsible
36 for land use planning for its review and comment. Prior
37 to the adoption of the school facilities needs analysis, the
38 public shall have the opportunity to review and comment
39 on the school facilities needs analysis and the governing



1 board shall respond to written comments it receives
2 regarding the school facilities needs analysis.

3 (d) Notice of the time and place of the hearing,
4 including the location and procedure for viewing or
5 requesting a copy of the proposed school facility needs
6 analysis and any proposed revision of the school facilities
7 needs analysis, shall be published in at least one
8 newspaper of general circulation within the jurisdiction
9 of the school district that is conducting the hearing no less
10 than 30 days prior to the hearing. If there is no paper of
11 general circulation, the notice shall be posted in at least
12 three conspicuous public places within the jurisdiction of
13 the school district not less than 30 days prior to the
14 hearing. In addition to these notice requirements, the
15 governing board shall mail a copy of the school facilities
16 needs analysis and any proposed revision to the school
17 facilities needs analysis not less than 30 days prior to the
18 hearing to any person who has made a written request if
19 the written request was made 45 days prior to the hearing.
20 The governing board may charge a fee reasonably related
21 to the cost of providing these materials to those persons
22 who request the school facility needs analysis or revision.

23 (e) The school facility needs analysis may be revised in
24 the same manner, and the revision is subject to the same
25 conditions and requirements, applicable to the adoption
26 of the school facilities needs analysis.

27 (f) A fee, charge, dedication, or other requirement in
28 an amount authorized by this section or Section 65995.7,
29 shall be adopted by a resolution of the governing board
30 as part of the adoption or revision of the school facilities
31 needs analysis and may not be effective for more than one
32 year. Notwithstanding subdivision (a) of Section 17621 of
33 the Education Code, or any other provision of law, the
34 fee, charge, dedication, or other requirement authorized
35 by the resolution shall take effect immediately after the
36 adoption of the resolution.

37 (g) Division 13 (commencing with Section 21000) of
38 the Public Resources Code may not apply to the
39 preparation, adoption, or update of the school facilities



1 needs analysis, or adoption of the resolution specified in
2 this section.

3 (h) A notice and hearing requirements other than
4 those provided in this section may not be applicable to the
5 adoption or revision of a school facility needs analysis or
6 the resolutions adopted pursuant to this section.

7 SEC. 22. Section 65995.7 is added to the Government
8 Code, to read:

9 65995.7. (a) If state funds for new school facility
10 construction are not available, the governing board of a
11 school district that complies with Section 65995.5 may
12 increase the alternative fee, charge, dedication, or other
13 requirement calculated pursuant to subdivision (c) of
14 Section 65995.5 by an amount that may not exceed the
15 amount calculated pursuant to subdivision (c) of Section
16 65995.5, except that for the purposes of calculating this
17 additional amount, the amount identified in paragraph
18 (2) of subdivision (c) may not be subtracted from the
19 amount determined pursuant to paragraph (1) of
20 subdivision (c). For purposes of this section, state funds
21 are not available if the State Allocation Board is no longer
22 approving apportionments for new construction
23 pursuant to Article 5 (commencing with Section
24 17072.20) of Chapter 12.5 of Part 10 of the Education Code
25 due to a lack of funds available for new construction.

26 (b) A governing board may not impose the
27 supplemental amount authorized by subdivision (a)
28 unless all of the following occur:

29 (1) The board first offers a reimbursement election to
30 the person subject to the fee, charge, dedication, or other
31 requirement that provides the person with the right to
32 monetary reimbursement of the supplemental amount
33 authorized by this section, to the extent that the district
34 receives funds from state sources for construction of the
35 facilities for which that amount was required, less any
36 amount expended by the district for interim housing. At
37 the option of the person subject to the fee, charge,
38 dedication, or other requirement the reimbursement
39 election may be made on a tract or lot basis.



1 Reimbursement of available funds shall be made within
2 30 days as they are received by the district.

3 (2) The board offers the person subject to the fee,
4 charge, dedication, or other requirement an opportunity
5 to negotiate an alternative reimbursement agreement if
6 the terms of the agreement are mutually agreed upon.

7 (3) The board provides that the rights granted by the
8 reimbursement election or the alternative
9 reimbursement agreement are assignable.

10 (4) The person subject to the fee, charge, dedication,
11 or other requirement, or his or her assignee, elects to do
12 one of the following:

13 (A) Accept monetary reimbursement pursuant to
14 paragraph (2).

15 (B) Enter into an alternative reimbursement
16 agreement.

17 (C) Decline reimbursement.

18 (c) A city or county, whether general law or
19 chartered, may not issue a building permit for any
20 residential construction subject to the amount authorized
21 by this section in a district where the governing board has
22 adopted a resolution imposing the supplemental amount
23 authorized by this section unless the person subject to the
24 fee, charge, dedication, or other requirement, makes the
25 election described in paragraph (4) of subdivision (b)
26 and is provided with an executed copy of the election.

27 SEC. 23. Section 65996 of the Government Code is
28 amended to read:

29 65996. (a) ~~The~~ Notwithstanding Section 65858, or
30 Division 13 (commencing with Section 21000) of the
31 Public Resources Code, or any other provision of state or
32 local law, the following provisions shall be the exclusive
33 methods of considering and mitigating environmental
34 effects related to the adequacy of impacts on school
35 facilities when considering the approval or the
36 establishment of conditions for the approval of a
37 development project, as defined in Section 53080,
38 pursuant to Division 13 (commencing with Section
39 21000) of the Public Resources Code which occur or
40 might occur as a result of any legislative or adjudicative



1 *act, or both, by any state or local agency involving, but not*
2 *limited to, the planning, use, or development of real*
3 *property or any change of governmental organization or*
4 *reorganization, as defined in Section 56021 or 56073:*

5 ~~(1) Chapter 22 (commencing with Section 17700) of~~
6 ~~Part 10 of the Education Code.~~

7 ~~(2) Chapter 25 (commencing with Section 17785) of~~
8 ~~Part 10 of the Education Code.~~

9 ~~(3) Chapter 28 (commencing with Section 17870) of~~
10 ~~Part 10 of the Education Code.~~

11 ~~(4) Article 2.5 (commencing with Section 39327) of~~
12 ~~Chapter 3 of Part 23 of the Education Code.~~

13 ~~(5) Section 53080-17620 of the Government-Education~~
14 ~~Code.~~

15 ~~(6) Chapter 2.5 (commencing with Section 53311) of~~
16 ~~Division 2 of Title 5 of the Government Code.~~

17 ~~(7)~~

18 ~~(2) Chapter 4.7 (commencing with Section 65970) of~~
19 ~~Division 1 of Title 7 of the Government Code.~~

20 ~~(b) No public agency shall, pursuant to Division 13~~
21 ~~(commencing with Section 21000) of the Public~~
22 ~~Resources Code or Division 2 (commencing with Section~~
23 ~~66410) of this code, deny approval of a project on the basis~~
24 ~~of the adequacy of school facilities. The provisions of this~~
25 ~~chapter are hereby deemed to provide full and complete~~
26 ~~school facilities mitigation and, notwithstanding Section~~
27 ~~65858, or Division 13 (commencing with Section 21000)~~
28 ~~of the Public Resources Code, or any other provision of~~
29 ~~state or local law, a state or local agency may not deny or~~
30 ~~refuse to approve a legislative or adjudicative act, or both,~~
31 ~~involving, but not limited to, the planning, use, or~~
32 ~~development of real property or any change in~~
33 ~~governmental organization or reorganization, as defined~~
34 ~~in Section 56021 or 56073, on the basis that school facilities~~
35 ~~are inadequate.~~

36 ~~(c) This section shall become inoperative on January~~
37 ~~1, 1993, and shall remain inoperative until the date that~~
38 ~~Assembly Constitutional Amendment 6 of the 1991-92~~
39 ~~Regular Session fails to receive the approval of a majority~~
40 ~~of the voters voting on the measure, and as of that date~~



1 ~~this section shall become operative.~~ For purposes of this
2 section, “school facilities” means any school-related
3 consideration relating to a school district’s ability to
4 accommodate enrollment.

5 (d) Nothing in this chapter shall be interpreted to
6 limit or prohibit the ability of a local agency to utilize
7 other methods to provide school facilities if these
8 methods are not levied or imposed in connection with, or
9 made a condition of, a legislative or adjudicative act, or
10 both, involving, but not limited to, the planning, use, or
11 development of real property or a change in
12 governmental organization or reorganization, as defined
13 in Section 56021 or 56073. Nothing in this chapter shall be
14 interpreted to limit or prohibit the assessment or
15 reassessment of property in conjunction with ad valorem
16 taxes, or the placement of a parcel on the secured roll in
17 conjunction with qualified special taxes as that term is
18 used in Section 50079.

19 (e) Nothing in this section shall be interpreted to limit
20 or prohibit the ability of a local agency to mitigate the
21 impacts of land-use approvals other than on the need for
22 school facilities, as defined in this section.

23 (f) This section shall become inoperative during
24 anytime that Section 65997 becomes operative.

25 SEC. 24. Section 65997 is added to the Government
26 Code, to read:

27 65997. (a) The following provisions shall be the
28 exclusive methods of mitigating environmental effects
29 related to the adequacy of school facilities when
30 considering the approval or the establishment of
31 conditions for the approval of a development project, as
32 defined in Section 17620, pursuant to Division 13
33 (commencing with Section 21000) of the Public
34 Resources Code:

35 (1) Chapter 12 (commencing with Section 17000) of
36 Part 10 of the Education Code or Chapter 12.5
37 (commencing with Section 17070.10).

38 (2) Chapter 14 (commencing with Section 17085) of
39 Part 10 of the Education Code.



1 (3) Chapter 18 (commencing with Section 17170) of
2 Part 10 of the Education Code.

3 (4) Article 2.5 (commencing with Section 17430) of
4 Chapter 4 of Part 10.5 of the Education Code.

5 (5) Section 17620 of the Education Code.

6 (6) Chapter 2.5 (commencing with Section 53311) of
7 Division 2 of Title 5 of the Government Code.

8 (7) Chapter 4.7 (commencing with Section 65970) of
9 Division 1 of Title 7 of the Government Code.

10 (b) A public agency may not, pursuant to Division 13
11 (commencing with Section 21000) of the Public
12 Resources Code or Division 2 (commencing with Section
13 66410) of this code, deny approval of a project on the basis
14 of the adequacy of school facilities.

15 (c) (1) This section shall become operative on or after
16 any statewide election in 2006, if a statewide general
17 obligation bond measure submitted for voter approval in
18 2006 or thereafter that includes bond issuance authority
19 to fund construction of kindergarten and grades 1 to 12,
20 inclusive, public school facilities is submitted to the voters
21 and fails to be approved.

22 (2) (A) This section shall become inoperative if
23 subsequent to the failure of a general obligation bond
24 measure described in paragraph (1) a statewide general
25 bond measure as described in paragraph (1) is approved
26 by the voters, unless a later enacted statute deletes or
27 extends that date.

28 (B) Thereafter, this section shall become operative if
29 a statewide general obligation bond measure submitted
30 for voter approval that includes bond issuance authority
31 to fund construction of kindergarten and grades 1 to 12,
32 inclusive, public school facilities is submitted to the voters
33 and fails to be approved and shall become inoperative if
34 subsequent to the failure of the general obligation bond
35 measure a statewide bond measure as described in this
36 subparagraph is approved by the voters.

37 SEC. 25. Chapter 8 (commencing with Section 50700)
38 is added to Division 31 of the Health and Safety Code, to
39 read:

40



CHAPTER 8. DEVELOPER FEE ASSISTANCE

1
2
3 50700. It is the intent of the Legislature that the
4 department develop two pilot programs to address the
5 need of home buyers and renters who are impacted by
6 the cost of housing attributable to developer fees for
7 school facilities imposed on new construction of
8 residential housing. The goal of the pilot programs is to
9 balance the need for new school facilities to house the
10 increased population of pupils resulting from new
11 residential construction with the need to provide
12 affordable housing.

13 50701. There are hereby established two pilot
14 programs to be administered by the department to
15 provide developer fee assistance.

16 (a) The first pilot program shall make payments to
17 developers of affordable housing to reimburse the
18 developer for school facility fees paid pursuant to
19 subdivision (b) of Section 65995, Section 65995.5, or
20 Section 65995.7 of the Government Code for residential
21 construction. To qualify for this reimbursement, the
22 developer shall do all of the following:

23 (1) Commence the construction of the affordable
24 housing units on or after January 1, 1999.

25 (2) Use the proceeds of the reimbursement to
26 maintain the affordability of the housing units.

27 (A) With respect to rental units, to qualify for the
28 program the renters shall have a combined median
29 household income of not more than 60 percent of the area
30 median income and the unit shall have a deed restriction
31 insuring the affordability of the unit for a period of not less
32 than 30 years.

33 (B) With respect to owner occupied housing, to
34 qualify for the program the purchasers shall have a
35 combined median household income of not more than 80
36 percent of the median area income and the unit shall
37 have a deed restriction insuring the affordability of the
38 unit for a period of not less than 5 years.

39 (b) The second pilot program shall make payments to
40 developers of owner-occupied housing to reimburse the

1 developer for school facility fees paid that are in excess of
2 the amounts imposed pursuant to subdivision (b) of
3 Section 65995 of the Government Code for residential
4 construction. To qualify for this reimbursement, the
5 developer shall do both of the following:

6 (1) Commence construction of the owner occupied
7 housing on or after January 1, 1999.

8 (2) Sell the housing unit for one hundred ten thousand
9 dollars (\$110,000) or less, or construct the housing in a
10 county with an unemployment rate that equals or
11 exceeds 125 percent of the state unemployment rate and
12 where 500 or more housing units are constructed per
13 year.

14 (c) A developer shall only be reimbursed the amount
15 that the developer paid in excess of the amounts
16 calculated pursuant to subdivision (b) of Section 65995 of
17 the Government Code for residential construction.

18 50702. The Developer Fee Assistance Fund is hereby
19 established in the State Treasury and, notwithstanding
20 Section 13340 of the Government Code, is continuously
21 appropriated to the department for the purposes of this
22 chapter. The amount of one hundred sixty million dollars
23 (\$160,000,000) is hereby appropriated from the General
24 Fund to that fund. The department shall make payments
25 from that fund for a period of four years, as follows:

26 (a) Eighty million dollars (\$80,000,000) shall be
27 available for the first pilot program set forth in
28 subdivision (a) of Section 50701.

29 (b) Eighty million dollars (\$80,000,000) shall be
30 available for the second pilot program set forth in
31 subdivision (b) of Section 50701.

32 50703. It is the intent of the Legislature that a statute
33 be enacted to implement this chapter that does all of the
34 following:

35 (a) Specifies a state agency and local agencies to
36 administer these pilot programs.

37 (b) Establishes a timetable for implementation of
38 these pilot programs.

39 (c) Determines the manner in which the funds
40 appropriated for these pilot programs will be allocated.



1 SEC. 26. *The Legislature declares that it is the policy*
2 *of the state to exercise prudence in undertaking the sale*
3 *of bonds otherwise authorized for sale by the act adding*
4 *this section. In this regard, the Legislature encourages*
5 *undertaking the sale of bonds in a manner not to exceed*
6 *debt service to General Fund revenue ratio of 6 percent*
7 *unless the sale is in the best fiscal interest of the state.*

8 SEC. 27. *Notwithstanding Section 17610 of the*
9 *Government Code, if the Commission on State Mandates*
10 *determines that this act contains costs mandated by the*
11 *state, reimbursement to local agencies and school*
12 *districts for those costs shall be made pursuant to Part 7*
13 *(commencing with Section 17500) of Division 4 of Title*
14 *2 of the Government Code. If the statewide cost of the*
15 *claim for reimbursement does not exceed one million*
16 *dollars (\$1,000,000), reimbursement shall be made from*
17 *the State Mandates Claims Fund.*

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

22 SEC. 28. *Section 16 of this act shall become effective*
23 *upon the approval by the voters, at the November 3, 1998,*
24 *statewide general election, of the Class Size Reduction*
25 *Kindergarten-University Public Education Facilities*
26 *Bond Act of 1998, as set forth in Section 16 of this act.*

27 SEC. 29. (a) *Notwithstanding any other provision of*
28 *law, with respect to the Class Size Reduction*
29 *Kindergarten-University Public Education Facilities*
30 *Bond Act of 1998, all ballots of the November 3, 1998,*
31 *statewide general election shall have printed thereon and*
32 *in a square thereof, exclusively the words: "Class Size*
33 *Reduction Kindergarten-University Public Education*
34 *Facilities Bond Act of 1998" and in the same square under*
35 *those words, the following in 8-point type: "This nine*
36 *billion dollar (\$9,000,000,000) bond issue will provide*
37 *substantial funding for facilities to reduce class size in*
38 *primary grades, to accommodate student enrollment*
39 *growth and to relieve overcrowding in K-12 schools, and*
40 *provide funds to repair schools, and provide funds for*



1 wiring and cabling for educational technology to prepare
2 California's students for the 21st century. Funds will also
3 be used to upgrade and build new classrooms in
4 community colleges, the California State University, and
5 the University of California. These bonds may be used
6 only for approved school construction projects.”
7 Opposite the square, there shall be left spaces in which
8 the voters may place a cross in the manner required by
9 law to indicate whether they vote for or against the act.

10 (b) Notwithstanding Sections 13247 and 13281 of the
11 Elections Code, the language in subdivision (a) shall be
12 the only language included in the ballot label for the
13 condensed statement of the ballot title, and the Attorney
14 General shall not supplement, subtract from, or revise
15 that language, except that the Attorney General may
16 include the financial impact summary prepared pursuant
17 to Section 9087 of the Elections Code and Section 88003
18 of the Government Code. The ballot label is the
19 condensed statement of the ballot title and the financial
20 impact summary.

21 (c) Where the voting in the election is done by means
22 of voting machines used pursuant to law in a manner that
23 carries out the intent of this section, the use of the voting
24 machines and the expression of the voters' choice by
25 means thereof are in compliance with this section.

26 SEC. 30. Section 1, Section 3, Sections 5 to 15,
27 inclusive, and Sections 17 to 27, inclusive, of this act shall
28 not become operative before November 4, 1998, and on
29 that date shall become operative only if the Class Size
30 Reduction Kindergarten-University Public Education
31 Facilities Bond Act of 1998 is approved by the voters at the
32 November 3, 1998, statewide general election.

33 SEC. 31. If the Class Size Reduction
34 Kindergarten-University Public Education Facilities
35 Bond Act of 1998 is not approved by the voters at the
36 November 3, 1998, statewide general election, Section
37 17009.3 of the Education Code, as added by Section 2 of,
38 and Chapter 12.5 (commencing with Section 17070.10) of
39 Part 10 of the Education Code, as added by Section 4 of,
40 this act shall become inoperative on November 4, 1998.



1 SEC. 32. Notwithstanding the requirements of
2 Sections 9040, 9043, 9044, 9061, and 9082 of the Elections
3 Code or any other provision of law, the Secretary of State
4 shall submit Section 16 of this act to the voters at the
5 November 3, 1998, statewide general election.

6 SEC. 33. Notwithstanding Section 13282 of the
7 Elections Code, the public shall be permitted to examine
8 the condensed statement of the ballot title regarding the
9 measure set forth in Section 16 of this act for not more
10 than eight days. Any voter may seek a writ of mandate for
11 the purpose of requiring any statement of the ballot title,
12 or portion thereof, to be amended or deleted only within
13 that eight-day period.

14 SEC. 34. The Secretary of State shall include, in the
15 ballot pamphlets mailed pursuant to Section 9094 of the
16 Elections Code, the information specified in Section 9084
17 of the Elections Code regarding the bond act contained
18 in Section 16 of this act. If that inclusion is not possible, the
19 Secretary of State shall publish a supplemental ballot
20 pamphlet regarding this act to be mailed with the ballot
21 pamphlet. If the supplemental ballot pamphlet cannot be
22 mailed with the ballot pamphlet, the supplemental ballot
23 pamphlet shall be mailed separately.

24 SEC. 35. This act is an urgency statute necessary for
25 the immediate preservation of the public peace, health,
26 or safety within the meaning of Article IV of the
27 Constitution and shall go into immediate effect. The facts
28 constituting the necessity are:

29 In order to provide adequate school facilities to house
30 the growing pupil population attending the California
31 schools, to facilitate class size reduction, to renovate
32 existing facilities, to provide for joint-use facilities, and to
33 provide adequate higher education facilities to
34 accommodate the growing number of students, it is
35 necessary that this act take effect immediately.

36 ~~SECTION 1. Section 15101 of the Education Code is~~
37 ~~repealed.~~

38 ~~SEC. 2. Section 17005.6 is added to the Education~~
39 ~~Code, to read:~~



1 ~~17005.6. (a) The board shall adopt guidelines for use~~
2 ~~by districts by June 1, 1999, to achieve measurable~~
3 ~~reductions in the costs of school facilities construction.~~

4 ~~(b) The guidelines shall include, but need not be~~
5 ~~limited to, all of the following:~~

6 ~~(1) Mechanisms designed to reduce the costs of~~
7 ~~professional fees.~~

8 ~~(2) Mechanisms designed to reduce the costs of site~~
9 ~~preparation.~~

10 ~~(3) Recommendations for the use of alternate~~
11 ~~cost-saving construction materials and methods.~~

12 ~~(4) Recommendations regarding the joint use of core~~
13 ~~facilities.~~

14 ~~(5) Mechanisms designed to reduce costs by~~
15 ~~incorporating efficiencies in schoolsite design.~~

16 ~~(6) Recommendations regarding the use of~~
17 ~~cost-effective, efficient reusable facility plans.~~

18 ~~(e) If a school district levies fees charged pursuant to~~
19 ~~Section 17620 or if a district receives funds pursuant to this~~
20 ~~chapter, the district shall consider the guidelines~~
21 ~~developed pursuant to this section as fully as is~~
22 ~~practicable.~~

23 ~~(d) When the board adopts the guidelines, it shall not~~
24 ~~include any recommendation that would have a~~
25 ~~significant detrimental effect on educational programs.~~

26 ~~SEC. 3. Section 17005.7 is added to the Education~~
27 ~~Code, to read:~~

28 ~~17005.7. The board shall not apportion funds to any~~
29 ~~school district, unless the applicant school district has~~
30 ~~certified to the board that the services of any architect,~~
31 ~~structural engineer, or other design professional for any~~
32 ~~work under the project have been obtained pursuant to~~
33 ~~a competitive process that is consistent with the~~
34 ~~requirements of Chapter 10 (commencing with Section~~
35 ~~4525 of Division 5 of Title 1 of the Government Code and~~
36 ~~has done either of the following:~~

37 ~~(a) Obtained the written approval of the State~~
38 ~~Department of Education that the site selection, and the~~
39 ~~building plans and specifications, comply with the~~



1 standards adopted by the department pursuant to
2 subdivisions (b) and (c), respectively, of Section 17251.

3 (b) Certified to the board that it is in compliance with
4 the standards described in subdivision (a).

5 SEC. 4. Section 17005.8 is added to the Education
6 Code, to read:

7 17005.8. Any savings achieved by the school district's
8 efficient and prudent expenditure of funds received from
9 the state pursuant to this chapter shall be retained by the
10 district in the county fund for expenditure by the district
11 for other high priority capital outlay purposes.

12 SEC. 5. Section 17009.5 is added to the Education
13 Code, to read:

14 17009.5. (a) Title to all property acquired,
15 constructed, or improved with funds made available
16 under this chapter shall be held by the school district to
17 which the board grants the funds.

18 (b) The applicant school district shall comply with all
19 laws pertaining to the construction, reconstruction, or
20 alteration of, or addition to, school buildings.

21 SEC. 6. Section 17014 of the Education Code is
22 amended to read:

23 17014. (a) The board shall require the school district
24 to make all necessary repairs, renewals, and replacements
25 to ensure that a project is at all times kept in good repair,
26 working order, and condition. All costs incurred for this
27 purpose shall be borne by the school district.

28 (b) In order to ensure compliance with subdivision (a)
29 and encourage applicants to maintain all buildings under
30 their control, the board shall require the applicant to do
31 all of the following prior to the approval of a project:

32 (1) Establish a restricted account within the district's
33 general fund for the exclusive purpose of providing
34 moneys for regular maintenance and routine repair of
35 school buildings, according the highest priority to
36 funding for the purpose set forth in subdivision (a).

37 (2) Agree to deposit into the account established
38 pursuant to paragraph (1), in each fiscal year for 20 years
39 after receipt of funds under this chapter, a minimum
40 amount equal to or greater than 3 percent of the



1 applicant school district's general fund budget for that
2 fiscal year. For the 1998-99 fiscal year and the 1999-2000
3 fiscal year, a school district may phase in this requirement
4 by agreeing to certify the deposit of no less than 2 percent
5 for the 1998-99 fiscal year and no less than 2½ percent
6 for the 1999-2000 fiscal year. Annual deposits to the fund
7 established pursuant to paragraph (1) in excess of 2½
8 percent of the district general fund budget may count
9 towards the district's required match necessary to receive
10 apportionments from the State School Deferred
11 Maintenance Fund pursuant to Section 39619 to the
12 extent that funds are used for purposes that qualify for
13 funding under that section. This paragraph is applicable
14 only to the following districts:

15 (A) High school districts with average daily
16 attendance greater than 300.

17 (B) Elementary school districts with average daily
18 attendance greater than 900.

19 (C) Unified school districts with average daily
20 attendance greater than 1,200.

21 (e) For each project funded after July 1, 1998, the
22 board shall require the applicant school district
23 governing board to certify, as part of the school district's
24 annual budget process and beginning in the fiscal year in
25 which the project is funded by the state, that a plan has
26 been prepared for completing major maintenance,
27 repair, and replacement requirements for the project.
28 For purposes of this subdivision, the term "major
29 maintenance, repair, and replacement" means roofing,
30 siding, painting, floor and window coverings, fixtures,
31 cabinets, heating and cooling systems, landscaping,
32 fences, and other items designated by the governing
33 board of the school district. The board shall require the
34 school district's governing board to certify that the plan
35 includes and is being implemented as follows:

36 (1) Identification of the major maintenance, repair,
37 and replacement needs for the project.

38 (2) Specification of a schedule for completing the
39 major maintenance, repair, and replacement needs.



1 ~~(3) Specification of a current cost estimate for the~~
2 ~~scheduled major maintenance, repair, and replacement~~
3 ~~needs.~~

4 ~~(4) Specification of the school district's schedule for~~
5 ~~funding a reserve to pay for the scheduled major~~
6 ~~maintenance, repair, and replacement needs.~~

7 ~~(5) Review of the plan annually, as a part of the school~~
8 ~~district's annual budget process, and update, as needed;~~
9 ~~the major maintenance, repair, and replacement needs;~~
10 ~~the estimates of expected costs, and any adjustments in~~
11 ~~funding the reserve.~~

12 ~~(6) Availability for public inspection of the original~~
13 ~~plan, and all updated versions of the plan, at the office of~~
14 ~~the superintendent of the school district during the~~
15 ~~working hours of the school district.~~

16 ~~(7) Provision in the school district's annual budget of~~
17 ~~a provision that states the total funding available in~~
18 ~~reserve for scheduled major maintenance, repair and~~
19 ~~replacement needs as specified in the updated plan, and~~
20 ~~an explanation if this amount is less than that specified in~~
21 ~~the updated plan. The reserve shall be maintained in the~~
22 ~~restricted account established pursuant to subdivision~~
23 ~~(b).~~

24 ~~SEC. 7. Section 17030.1 is added to the Education~~
25 ~~Code, to read:~~

26 ~~17030.1. Notwithstanding any other provision of law,~~
27 ~~a lien recorded on school district property that has been~~
28 ~~imposed pursuant to Section 16019 or 17030 shall be~~
29 ~~released on the operative date of this section. The release~~
30 ~~shall conclusively protect any third party relying upon~~
31 ~~the same, and shall be acknowledged to permit~~
32 ~~reoordation by the county recorder. On and after August~~
33 ~~1, 1998, a lien may not be imposed pursuant to Section~~
34 ~~16019 or Section 17030.~~

35 ~~SEC. 8. Section 17060.5 is added to the Education~~
36 ~~code, to read:~~

37 ~~17060.5. As a part of its application, a school district~~
38 ~~shall certify that it has considered the feasibility of the~~
39 ~~joint use of land and facilities with other governmental~~
40 ~~entities in order to minimize school facilities costs. Funds~~



1 provided pursuant to this chapter for growth and
2 modernization may be used for the school portion of
3 joint-use facilities.

4 SEC. 9. Section 17260 of the Education Code is
5 amended to read:

6 17260. As used in this article “school buildings” shall
7 have the same meaning as in Section 17283.

8 SEC. 10. Section 17261 of the Education Code is
9 repealed.

10 SEC. 11. Section 17261 is added to the Education
11 Code, to read:

12 17261. The State Allocation Board shall obtain
13 construction plans for school buildings appropriate for
14 school districts in various climates and geographical
15 conditions of the state. The plans shall be composed of
16 plans designed to meet the needs of school districts
17 requiring school buildings of various sizes. The plans may
18 include landscape suggestions.

19 SEC. 12. Section 17262 of the Education Code is
20 amended to read:

21 17262. Any school district may request sets of the
22 plans and specifications obtained by the State Allocation
23 Board as appropriate for use in constructing a school
24 building of the type desired by the district. The plans and
25 specifications shall be furnished to the school district
26 subject to the payment by the school district of the actual
27 expense incurred by the State Allocation Board, but that
28 payment shall not exceed more than 2 percent of the total
29 cost of the project. Any payments received for the plans
30 and specifications shall be paid into the State School
31 Building Lease Purchase Fund.

32 SEC. 13. Section 17303 of the Education Code is
33 amended to read:

34 17303. (a) The Department of General Services shall
35 establish one or more methods to ensure that each
36 application has been completed sufficiently by the
37 applicant to enable the plan review to be performed.

38 (b) Upon receipt of a complete application, the
39 Department of General Services shall inform the
40 applicant of the period of time that it anticipates to elapse



1 ~~prior to commencing review of the applicant's plans.~~
2 ~~Within 10 days of being so notified, the applicant shall~~
3 ~~make an election to either use the Department of~~
4 ~~General Services for the review of the applicant's plan or,~~
5 ~~request the plan review be performed by one or more~~
6 ~~qualified plan review firms pursuant to Sections 17305~~
7 ~~and 17306. If the applicant elects to use the services of the~~
8 ~~Department of General Services for review of the~~
9 ~~applicant's plan, the department, as necessary to expedite~~
10 ~~review of the applicant's plans, shall do one or more of the~~
11 ~~following:~~

12 ~~(1) Contract for assistance from one or more qualified~~
13 ~~plan review firms pursuant to Section 17305.~~

14 ~~(2) Employ additional staff on a temporary basis.~~

15 ~~(3) Maximize the use of department staff through the~~
16 ~~use of overtime or other appropriate means.~~

17 ~~(4) Any other action determined by the department to~~
18 ~~have the effect of expediting the review and approval~~
19 ~~process.~~

20 ~~(c) Each application shall identify, for purposes of~~
21 ~~receiving the notifications required under this~~
22 ~~subdivision, an employee of the applicant school district~~
23 ~~and either the applicant's architect or structural~~
24 ~~engineer. The Department of General Services~~
25 ~~immediately shall notify that employee, and the~~
26 ~~identified architect or structural engineer, when each of~~
27 ~~the following steps in the plan review process occurs:~~

28 ~~(1) The department requests the applicant's architect~~
29 ~~or structural engineer to correct or complete any part of~~
30 ~~the application.~~

31 ~~(2) An application number is assigned to the~~
32 ~~application.~~

33 ~~(3) Review of the applicant's plans is commenced.~~

34 ~~(4) Review of the applicant's plans is completed and~~
35 ~~the department returns the plans to the architect or~~
36 ~~structural engineer for correction.~~

37 ~~(5) Corrected plans are returned to the department~~
38 ~~by the applicant's architect or structural engineer for~~
39 ~~final review and approval.~~



1 ~~(6) The department approves the plans and causes a~~
2 ~~final record set of the plans to be printed in accordance~~
3 ~~with Section 17304.~~

4 ~~(d) The Department of General Services may provide~~
5 ~~additional notifications to applicants as it deems~~
6 ~~necessary.~~

7 ~~SEC. 14. Section 17305 of the Education Code is~~
8 ~~amended to read:~~

9 ~~17305. (a) Notwithstanding Section 14952 of the~~
10 ~~Government Code, the Department of General Services~~
11 ~~shall contract with a sufficient number of qualified plan~~
12 ~~review firms for assistance in performing the plan review~~
13 ~~required under this article or Article 5 (commencing~~
14 ~~with Section 17350).~~

15 ~~(b) For purposes of this article, “qualified plan review~~
16 ~~firm” means an individual, firm, or the building official of~~
17 ~~a city, a county, or a city and county that is identified by~~
18 ~~the Department of General Services as having~~
19 ~~appropriate expertise and knowledge of the~~
20 ~~requirements that apply to school buildings under this~~
21 ~~article. The department shall establish and maintain a list~~
22 ~~of the individuals and firms so identified, and shall make~~
23 ~~that list available, upon request, to school districts and~~
24 ~~other interested parties.~~

25 ~~SEC. 15. Section 17306 of the Education Code is~~
26 ~~amended to read:~~

27 ~~17306. (a) Upon submitting a complete application~~
28 ~~for review under this article, the applicant may request~~
29 ~~that the Department of General Services refer the~~
30 ~~documents necessary for the review of that application to~~
31 ~~a qualified plan review firm operating under contract~~
32 ~~with the department pursuant to Section 17305. The~~
33 ~~department immediately shall grant the request and~~
34 ~~refer the necessary documents to a qualified plan review~~
35 ~~firm if the applicant so requests.~~

36 ~~Upon completing the review, the qualified plan review~~
37 ~~firm shall submit the documents referred to it for the~~
38 ~~review of the application, together with the results of its~~
39 ~~review, to the Department of General Services.~~



1 ~~(b) The Department of General Services shall~~
 2 ~~establish a procedure governing the use by applicants of~~
 3 ~~the review process alternative described in this section;~~
 4 ~~including, but not limited to, provisions restricting the~~
 5 ~~use of qualified plan review firms on the basis of conflict~~
 6 ~~of interest.~~

7 ~~SEC. 16. Part 68 (commencing with Section 100400)~~
 8 ~~is added to the Education Code, to read:~~

9

10

~~CHAPTER 1. CLASS SIZE REDUCTION~~

11

~~KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES~~

12

~~BOND ACT OF 1998~~

13

14 ~~100400. This part shall be known and may be cited as~~
 15 ~~the Class Size Reduction Kindergarten-University Public~~
 16 ~~Education Facilities Bond Act of 1998.~~

17 ~~100401. The incorporation of, or reference to, any~~
 18 ~~provisions of California statutory law in this part includes~~
 19 ~~all acts amendatory thereof and supplementary thereto.~~

20 ~~100403. (a) Bonds in the total amount of four billion~~
 21 ~~five hundred million dollars (\$4,500,000,000), not~~
 22 ~~including the amount of any refunding bonds issued in~~
 23 ~~accordance with Chapter 2 (commencing with Section~~
 24 ~~100410) and Chapter 3 (commencing with Section~~
 25 ~~100450), or so much thereof as is necessary, may be issued~~
 26 ~~and sold to provide a fund to be used for carrying out the~~
 27 ~~purposes expressed in this chapter and to reimburse the~~
 28 ~~General Obligation Bond Expense Revolving Fund~~
 29 ~~pursuant to Section 16724.5 of the Government Code. The~~
 30 ~~bonds, when sold, shall be and constitute a valid and~~
 31 ~~binding obligation of the State of California, and the full~~
 32 ~~faith and credit of the State of California is hereby~~
 33 ~~pledged for the punctual payment of the principal of, and~~
 34 ~~interest on, the bonds as the principal and interest~~
 35 ~~become due and payable.~~

36 ~~(b) Pursuant to this section, the Treasurer shall sell the~~
 37 ~~bonds authorized by the State School Building Finance~~
 38 ~~Committee established by Section 15909 and the Higher~~
 39 ~~Education Facilities Finance Committee established~~



1 ~~pursuant to Section 67353 at any different times necessary~~
2 ~~to service expenditures required by the apportionments.~~

3 ~~100405. For purposes of this part, “Chapter 12” means~~
4 ~~Chapter 12 (commencing with Section 17000) of Part 10.~~

5

6 ~~CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE~~

7

8 ~~Article 1. Kindergarten Through 12th Grade School~~
9 ~~Facilities Program Provisions~~

10

11 ~~100410. Three billion two hundred fifty million dollars~~
12 ~~(\$3,250,000,000) of the proceeds of bonds issued and sold~~
13 ~~pursuant to this part shall be deposited in the State School~~
14 ~~Building Lease-Purchase Fund, which is established by~~
15 ~~Section 17008, and allocated by the State Allocation Board~~
16 ~~pursuant to this chapter. Before requesting the sale of~~
17 ~~bonds pursuant to Section 100432 for deposit in the State~~
18 ~~School Building Lease-Purchase Fund, the State~~
19 ~~Allocation Board shall request, pursuant to Section~~
20 ~~100432, the sale of bonds sufficient to finance all projects~~
21 ~~for which application was made pursuant to Chapter 12~~
22 ~~and for which an application was approved for an~~
23 ~~apportionment for construction, but funding was not~~
24 ~~available, prior to July 1, 1998.~~

25 ~~100415. All moneys deposited in the State School~~
26 ~~Building Lease-Purchase Fund pursuant to this chapter~~
27 ~~shall be available and, notwithstanding any other~~
28 ~~provision of law to the contrary, are hereby appropriated~~
29 ~~to provide aid to school districts of the state in accordance~~
30 ~~with Chapter 12, to provide aid to school districts, county~~
31 ~~superintendents of schools, and county boards of~~
32 ~~education of the state in accordance with Section 100420,~~
33 ~~to provide funds to repay any money advanced or loaned~~
34 ~~to the State School Building Lease-Purchase Fund under~~
35 ~~any act of the Legislature, together with interest~~
36 ~~provided for in that act, and to reimburse the General~~
37 ~~Obligation Bond Expense Revolving Fund pursuant to~~
38 ~~Section 16724.5 of the Government Code.~~

39 ~~100420. (a) The proceeds from the sale of bonds,~~
40 ~~issued and sold pursuant to this chapter, as specified in~~



1 ~~Section 100410, shall be allocated beginning in the~~
2 ~~1998-99 fiscal year in accordance with the following~~
3 ~~schedule:~~

4 ~~(1) One billion three hundred fifty million dollars~~
5 ~~(\$1,350,000,000) for project funding related to the growth~~
6 ~~in enrollment of applicant school districts under Chapter~~
7 ~~12 that have incurred or will incur enrollment increases.~~

8 ~~(2) One million two hundred million dollars~~
9 ~~(\$1,200,000,000) for the reconstruction or modernization~~
10 ~~of facilities pursuant to Chapter 12.~~

11 ~~(3) (A) Not more than seven hundred million dollars~~
12 ~~(\$700,000,000) may be allocated to assist school districts~~
13 ~~with site acquisition and facilities related costs of~~
14 ~~kindergarten and grades 1 to 3, inclusive, that are in the~~
15 ~~Class Size Reduction Program contained in Chapter 6.10~~
16 ~~(commencing with Section 52120) of Part 28 and Chapter~~
17 ~~19 (commencing with Section 17200) of Part 10, and to~~
18 ~~assist districts with the restoration of facilities that~~
19 ~~previously accommodated other programs and were~~
20 ~~displaced as a result of the implementation of class size~~
21 ~~reduction. On and after July 1, 2000, if applications for the~~
22 ~~total funds available under this paragraph have not been~~
23 ~~filed with the State Allocation Board, the funds for which~~
24 ~~applications have not been received may be allocated by~~
25 ~~the board to other high priority needs as the board~~
26 ~~determines. On and after July 1, 2003, any funds not~~
27 ~~allocated are available for other high priority needs.~~

28 ~~(B) Not more than two hundred million dollars~~
29 ~~(\$200,000,000) of the funds allocated in paragraph (A)~~
30 ~~shall be allocated to the State Department of Education~~
31 ~~to provide class size reduction facilities grants in the~~
32 ~~1998-99 and 1999-2000 fiscal years necessary to~~
33 ~~implement the K-3 Class Size Reduction Program~~
34 ~~established pursuant to Chapter 6.10 (commencing with~~
35 ~~Section 52120) of Part 28 and Chapter 19 (commencing~~
36 ~~with Section 17200) of Part 10. The department shall~~
37 ~~certify to the State Allocation Board the amount of funds~~
38 ~~needed for this purpose. The board shall transfer the~~
39 ~~amount of funds needed to the department. From these~~
40 ~~funds, the department shall award eligible districts forty~~



1 thousand dollars (\$40,000) for each new option one class
2 established for class size reduction for which the district
3 had not previously received funding under class size
4 reduction facilities programs.

5 (C) The remaining funds provided pursuant to
6 subdivision (A) shall be to provide funding for schoolsites
7 that were eligible to receive a class size reduction
8 land-locked waiver pursuant to Section 52122.6. The
9 funds may be provided to districts to provide 50 percent
10 of the cost of funding a facilities mitigation plan
11 developed for the impacted site pursuant to Section
12 52122.7.

13 (D) In addition to the funding provided pursuant to
14 (C), a district may request funding of forty thousand
15 dollars (\$40,000) for each teaching station that was
16 displaced as a result of the implementation of class size
17 reduction. Programs for which teaching stations may be
18 restored may include child care, extended day care,
19 school libraries, and computer labs.

20 (4) The funds allocated in paragraphs (1), (2), and
21 (3), may be reallocated by statute for the purposes
22 specified in this chapter.

23 (b) Funds allocated pursuant to paragraph (2) of
24 subdivision (a) may be used for one or more of the
25 following purposes:

26 (1) The purchase and installation of air conditioning
27 equipment and insulation materials, and related costs,
28 pursuant to Section 42250.1, for schools operated on a
29 year-round multitrack schedule in a manner that
30 increases school capacity and reduces or eliminates the
31 school district's need for the construction of additional
32 classroom space.

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

36 (3) The identification, assessment, or abatement in
37 school facilities of hazardous asbestos pursuant to Section
38 17589.

39 (4) Notwithstanding Section 17021.3, the State
40 Allocation Board may allocate funding pursuant to this



1 ~~subdivision for the reconstruction or modernization of an~~
2 ~~existing structure in an amount that exceeds 25 percent~~
3 ~~of the replacement cost of that structure in order to~~
4 ~~finance structural improvements needed to avert future~~
5 ~~earthquake damage.~~

6 ~~(5) Project funding for high priority roof replacement~~
7 ~~projects.~~

8 ~~(c) Funds allocated pursuant to paragraph (1) of~~
9 ~~subdivision (a) may be utilized to provide new~~
10 ~~construction grants, without regard to funding priorities,~~
11 ~~for applicant county boards of education that are eligible~~
12 ~~for that funding or classrooms for severely handicapped~~
13 ~~pupils and funding for classrooms for county community~~
14 ~~school pupils.~~

15

16 ~~Article 2. Kindergarten Through 12th Grade School~~
17 ~~Facilities Fiscal Provisions~~

18

19 ~~100425. (a) Bonds in the total amount of three billion~~
20 ~~two hundred fifty million dollars (\$3,250,000,000), not~~
21 ~~including the amount of any refunding bonds issued in~~
22 ~~accordance with Section 100444, or so much thereof as is~~
23 ~~necessary, may be issued and sold to provide a fund to be~~
24 ~~used for carrying out the purposes expressed in this~~
25 ~~chapter and to reimburse the General Obligation Bond~~
26 ~~Expense Revolving Fund pursuant to Section 16724.5 of~~
27 ~~the Government Code. The bonds, when sold, shall be~~
28 ~~and constitute a valid and binding obligation of the State~~
29 ~~of California, and the full faith and credit of the State of~~
30 ~~California is hereby pledged for the punctual payment of~~
31 ~~the principal of, and interest on, the bonds as the principal~~
32 ~~and interest become due and payable.~~

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

38 ~~100427. The State School Building Finance~~
39 ~~Committee, established by Section 15909 and composed~~
40 ~~of the Governor, the Controller, the Treasurer, the~~



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

22 100430. (a) The bonds authorized by this chapter
23 shall be prepared, executed, issued, sold, paid, and
24 redeemed as provided in the State General Obligation
25 Bond Law (Chapter 4 (commencing with Section 16720)
26 of Part 3 of Division 4 of Title 2 of the Government Code),
27 and all of the provisions of that law, except Section 16727
28 of the Government Code, apply to the bonds and to this
29 chapter and are hereby incorporated in this chapter as
30 though set forth in full in this chapter.

31 (b) For purposes of the State General Obligation Bond
32 Law, the State Allocation Board is designated the “board”
33 for purposes of administering the State School Building
34 Lease-Purchase Fund.

35 100432. Upon request of the State Allocation Board
36 from time to time, supported by a statement of the
37 apportionments made and to be made for the purposes
38 described in Sections 100415 and 100420, the State School
39 Building Finance Committee shall determine whether or
40 not it is necessary or desirable to issue bonds authorized



1 pursuant to this chapter in order to fund the
 2 apportionments and, if so, the amount of bonds to be
 3 issued and sold. Successive issues of bonds may be
 4 authorized and sold to fund those apportionments
 5 progressively, and it is not necessary that all of the bonds
 6 authorized to be issued be sold at any one time.

7 100434. There shall be collected each year and in the
 8 same manner and at the same time as other state revenue
 9 is collected, in addition to the ordinary revenues of the
 10 state, a sum in an amount required to pay the principal
 11 of, and interest on, the bonds each year. It is the duty of
 12 all officers charged by law with any duty in regard to the
 13 collection of the revenue to do and perform each and
 14 every act which is necessary to collect that additional
 15 sum.

16 100435. Notwithstanding Section 13340 of the
 17 Government Code, there is hereby appropriated from
 18 the General Fund in the State Treasury, for the purposes
 19 of this chapter, an amount that will equal the total of the
 20 following:

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

25 (b) The sum necessary to carry out Section 100440,
 26 appropriated without regard to fiscal years.

27 100436. The State Allocation Board may request the
 28 Pooled Money Investment Board to make a loan from the
 29 Pooled Money Investment Account or any other
 30 approved form of interim financing, in accordance with
 31 Section 16312 of the Government Code, for the purpose
 32 of carrying out this chapter. The amount of the request
 33 shall not exceed the amount of the unsold bonds that the
 34 committee, by resolution, has authorized to be sold for the
 35 purpose of carrying out this chapter. The board shall
 36 execute any documents required by the Pooled Money
 37 Investment Board to obtain and repay the loan. Any
 38 amounts loaned shall be deposited in the fund to be
 39 allocated by the board in accordance with this chapter.



1 ~~100438. Notwithstanding any other provision of this~~
2 ~~chapter, or of the State General Obligation Bond Law, if~~
3 ~~the Treasurer sells bonds pursuant to this chapter that~~
4 ~~include a bond counsel opinion to the effect that the~~
5 ~~interest on the bonds is excluded from gross income for~~
6 ~~federal tax purposes, subject to designated conditions, the~~
7 ~~Treasurer may maintain separate accounts for the~~
8 ~~investment of bond proceeds and for the investment~~
9 ~~earnings on those proceeds. The Treasurer may use or~~
10 ~~direct the use of those proceeds or earnings to pay any~~
11 ~~rebate, penalty, or other payment required under federal~~
12 ~~law or take any other action with respect to the~~
13 ~~investment and use of those bond proceeds required or~~
14 ~~desirable under federal law to maintain the tax-exempt~~
15 ~~status of those bonds and to obtain any other advantage~~
16 ~~under federal law on behalf of the funds of this state.~~

17 ~~100440. For the purposes of carrying out this chapter,~~
18 ~~the Director of Finance may authorize the withdrawal~~
19 ~~from the General Fund of an amount not to exceed the~~
20 ~~amount of the unsold bonds that have been authorized by~~
21 ~~the State School Building Finance Committee to be sold~~
22 ~~for the purpose of carrying out this chapter. Any amounts~~
23 ~~withdrawn shall be deposited in the State School Building~~
24 ~~Lease-Purchase Fund consistent with this chapter. Any~~
25 ~~money made available under this section shall be~~
26 ~~returned to the General Fund, plus an amount equal to~~
27 ~~the interest that the money would have earned in the~~
28 ~~Pooled Money Investment Account, from proceeds~~
29 ~~received from the sale of bonds for the purpose of~~
30 ~~carrying out this chapter.~~

31 ~~100442. All money deposited in the State School~~
32 ~~Building Lease-Purchase Fund, that is derived from~~
33 ~~premium and accrued interest on bonds sold shall be~~
34 ~~reserved in the fund and shall be available for transfer to~~
35 ~~the General Fund as a credit to expenditures for bond~~
36 ~~interest.~~

37 ~~100444. The bonds may be refunded in accordance~~
38 ~~with Article 6 (commencing with Section 16780) of~~
39 ~~Chapter 4 of Part 3 of Division 4 of Title 2 of the~~
40 ~~Government Code, which is a part of the State General~~



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

6 ~~100446. The Legislature hereby finds and declares~~
7 ~~that, inasmuch as the proceeds from the sale of bonds~~
8 ~~authorized by this chapter are not “proceeds of taxes” as~~
9 ~~that term is used in Article XIII B of the California~~
10 ~~Constitution, the disbursement of these proceeds is not~~
11 ~~subject to the limitations imposed by that article.~~

12
13 ~~CHAPTER 3. HIGHER EDUCATION FACILITIES~~

14
15 ~~Article 1. Program Provision~~

16
17 ~~100450. The Legislature finds and declares all of the~~
18 ~~following:~~

19 ~~(a) California’s economic and social prosperity relies~~
20 ~~on a higher education system that keeps pace with~~
21 ~~California’s growth. In the coming decades, the state’s~~
22 ~~economic prosperity will depend on increasing the~~
23 ~~productivity of the work force and on the ability to~~
24 ~~compete successfully in the world marketplace.~~

25 ~~(b) The system of public higher education in this state~~
26 ~~includes the University of California, the Hastings~~
27 ~~College of the Law, the California State University, the~~
28 ~~California Community Colleges, and their respective~~
29 ~~off-campus centers. Each of these institutions plays a vital~~
30 ~~role in maintaining California’s dominance in higher~~
31 ~~education in the United States.~~

32 ~~(c) Over the last several years, studies have been~~
33 ~~completed by the California Postsecondary Education~~
34 ~~Commission, the University of California, the California~~
35 ~~State University, and the California Community Colleges~~
36 ~~to assess their long-term and short-term capital needs.~~
37 ~~Those studies demonstrate that the long-term and~~
38 ~~short-term needs total, in the aggregate, seven hundred~~
39 ~~fifty million dollars (\$750,000,000) per year into the next~~
40 ~~century.~~



1 ~~(d) Proceeds from the sale of bonds issued and sold~~
2 ~~pursuant to this chapter may be used to fund the~~
3 ~~expansion and renovation of existing campuses and~~
4 ~~development of new campuses at the University of~~
5 ~~California, the Hastings College of the Law, the California~~
6 ~~State University, and the California Community Colleges,~~
7 ~~and their respective off-campus centers.~~

8 ~~(e) The purposes of this article include assisting in~~
9 ~~meeting the capital outlay financing needs of California's~~
10 ~~public higher education system.~~

11 ~~100455. One billion two hundred fifty million dollars~~
12 ~~(\$1,250,000,000) of the proceeds of bonds issued and sold~~
13 ~~pursuant to this part shall be deposited in the 1998 Higher~~
14 ~~Education Capital Outlay Bond Fund which is hereby~~
15 ~~established in the State Treasury. These funds shall be~~
16 ~~available for expenditure when appropriated.~~

17 ~~100457. Of the amount of bonds issued and sold~~
18 ~~pursuant to Section 100455, one hundred million dollars~~
19 ~~(\$100,000,000) shall be allocated to be available for the~~
20 ~~purposes of the development of new campuses of the~~
21 ~~University of California, the California State University,~~
22 ~~and the California Community Colleges pursuant to~~
23 ~~subdivision (d) of Section 100450. The amount of the~~
24 ~~allocation of funds required pursuant to this section for~~
25 ~~the development of new campuses may be reduced by a~~
26 ~~future legislative act if the Legislature finds that state~~
27 ~~funds have been provided from sources other than the~~
28 ~~proceeds of bonds for capital outlay costs. The reduction~~
29 ~~shall be limited to the amount actually provided from~~
30 ~~sources other than bond proceeds.~~

31 ~~100460. The Higher Education Facilities Finance~~
32 ~~Committee established pursuant to Section 67353 is~~
33 ~~hereby authorized to create a debt or debts, liability or~~
34 ~~liabilities, of the State of California pursuant to this~~
35 ~~chapter for the purpose of providing funds to aid the~~
36 ~~University of California, the Hastings College of the Law,~~
37 ~~the California State University, and the California~~
38 ~~Community Colleges.~~

39



1 Article 2. ~~Higher Education Fiscal Provisions~~

2
3 ~~100500. (a) Bonds in the total amount of one billion~~
4 ~~two hundred fifty million dollars (\$1,250,000,000), not~~
5 ~~including the amount of any refunding bonds issued in~~
6 ~~accordance with Section 100555, or so much thereof as is~~
7 ~~necessary, may be issued and sold to provide a fund to be~~
8 ~~used for carrying out the purposes expressed in this~~
9 ~~chapter and to reimburse the General Obligation Bond~~
10 ~~Expense Revolving Fund pursuant to Section 16724.5 of~~
11 ~~the Government Code. The bonds, when sold, shall be~~
12 ~~and constitute a valid and binding obligation of the State~~
13 ~~of California, and the full faith and credit of the State of~~
14 ~~California is hereby pledged for the punctual payment of~~
15 ~~the principal of, and interest on, the bonds as the principal~~
16 ~~and interest become due and payable.~~

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

22 ~~100510. (a) The bonds authorized by this chapter~~
23 ~~shall be prepared, executed, issued, sold, paid, and~~
24 ~~redeemed as provided in the State General Obligation~~
25 ~~Bond Law (Chapter 4 (commencing with Section 16720)~~
26 ~~of Part 3 of Division 4 of Title 2 of the Government Code),~~
27 ~~and all of the provisions of that law, except Section 16727~~
28 ~~of the Government Code, apply to the bonds and to this~~
29 ~~chapter and are hereby incorporated in this chapter as~~
30 ~~though set forth in full in this chapter.~~

31 ~~(b) For the purposes of the State General Obligation~~
32 ~~Bond Law, each state agency administering an~~
33 ~~appropriation of the 1998 Higher Education Capital~~
34 ~~Outlay Bond Fund is designated as the “board” for~~
35 ~~projects funded pursuant to this chapter.~~

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

1 on existing or new campuses, and their respective
2 off-campus centers, including the construction of
3 buildings and the acquisition of related fixtures,
4 renovation, and reconstruction of facilities, for the
5 acquisition of sites upon which these facilities are to be
6 constructed, for the equipping of new, renovated, or
7 reconstructed facilities, which equipment shall have a
8 useful life of at least 10 years, to provide funds for
9 payment of preconstruction costs, including, but not
10 limited to, preliminary plans and working drawings.

11 100520. The Higher Education Facilities Finance
12 Committee established pursuant to Section 67353 shall
13 authorize the issuance of bonds under this chapter only
14 to the extent necessary to fund the apportionments for
15 the purposes described in this chapter that are expressly
16 authorized by the Legislature in the annual Budget Act.
17 Pursuant to that legislative direction, the committee shall
18 determine whether or not it is necessary or desirable to
19 issue bonds authorized pursuant to this chapter in order
20 to carry out the purposes described in this chapter and,
21 if so, the amount of bonds to be issued and sold. Successive
22 issues of bonds may be authorized and sold to carry out
23 those actions progressively, and it is not necessary that all
24 of the bonds authorized to be issued be sold at any one
25 time.

26 100525. There shall be collected each year and in the
27 same manner and at the same time as other state revenue
28 is collected, in addition to the ordinary revenues of the
29 state, a sum in an amount required to pay the principal
30 of, and interest on, the bonds each year. It is the duty of
31 all officers charged by law with any duty in regard to the
32 collection of the revenue to do and perform each and
33 every act which is necessary to collect that additional
34 sum.

35 100530. Notwithstanding Section 13340 of the
36 Government Code, there is hereby appropriated from
37 the General Fund in the State Treasury, for the purposes
38 of this chapter, an amount that will equal the total of the
39 following:



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

5 ~~(b) The sum necessary to carry out Section 100545,~~
6 ~~appropriated without regard to fiscal years.~~

7 ~~100535. The board, as defined in subdivision (b) of~~
8 ~~Section 100510, may request the Pooled Money~~
9 ~~Investment Board to make a loan from the Pooled Money~~
10 ~~Investment Account or any other approved form of~~
11 ~~interim financing, in accordance with Section 16312 of the~~
12 ~~Government Code, for the purpose of carrying out this~~
13 ~~chapter. The amount of the request shall not exceed the~~
14 ~~amount of the unsold bonds that the committee, by~~
15 ~~resolution, has authorized to be sold for the purpose of~~
16 ~~carrying out this chapter. The board, as defined in~~
17 ~~subdivision (b) of Section 100510, shall execute any~~
18 ~~documents required by the Pooled Money Investment~~
19 ~~Board to obtain and repay the loan. Any amounts loaned~~
20 ~~shall be deposited in the fund to be allocated by the board~~
21 ~~in accordance with this chapter.~~

22 ~~100540. Notwithstanding any other provision of this~~
23 ~~chapter, or of the State General Obligation Bond Law, if~~
24 ~~the Treasurer sells bonds pursuant to this chapter that~~
25 ~~include a bond counsel opinion to the effect that the~~
26 ~~interest on the bonds is excluded from gross income for~~
27 ~~federal tax purposes, subject to designated conditions, the~~
28 ~~Treasurer may maintain separate accounts for the~~
29 ~~investment of bond proceeds and for the investment~~
30 ~~earnings on those proceeds. The Treasurer may use or~~
31 ~~direct the use of those proceeds or earnings to pay any~~
32 ~~rebate, penalty, or other payment required under federal~~
33 ~~law or take any other action with respect to the~~
34 ~~investment and use of those bond proceeds required or~~
35 ~~desirable under federal law to maintain the tax-exempt~~
36 ~~status of those bonds and to obtain any other advantage~~
37 ~~under federal law on behalf of the funds of this state.~~

38 ~~100545. (a) For the purposes of carrying out this~~
39 ~~chapter, the Director of Finance may authorize the~~
40 ~~withdrawal from the General Fund of an amount not to~~



1 exceed the amount of the unsold bonds that have been
2 authorized by the Higher Education Facilities Finance
3 Committee to be sold for the purpose of carrying out this
4 chapter. Any amounts withdrawn shall be deposited in
5 the 1998 Higher Education Capital Outlay Bond Fund
6 consistent with this chapter. Any money made available
7 under this section shall be returned to the General Fund,
8 plus an amount equal to the interest that the money
9 would have earned in the Pooled Money Investment
10 Account, from proceeds received from the sale of bonds
11 for the purpose of carrying out this chapter.

12 (b) Any request forwarded to the Legislature and the
13 Department of Finance for funds from this bond issue for
14 expenditure for the purposes described in this chapter by
15 the University of California, the California State
16 University, or the California Community Colleges shall
17 be accompanied by the five-year capital outlay plan.
18 Requests forwarded by a university or college shall
19 include a schedule that prioritizes the seismic retrofitting
20 needed to significantly reduce, by the 2002-03 fiscal year,
21 in the judgment of the particular university or college,
22 seismic hazards in buildings identified as high priority by
23 the university or college. Requests forwarded by the
24 California Community Colleges shall be accompanied by
25 a five-year capital outlay plan reflecting the needs and
26 priorities of the community college system, prioritized on
27 a statewide basis.

28 100550. All money deposited in the 1998 Higher
29 Education Capital Outlay Bond Fund that is derived from
30 premium and accrued interest on bonds sold shall be
31 reserved in the fund and shall be available for transfer to
32 the General Fund as a credit to expenditures for bond
33 interest.

34 100555. The bonds may be refunded in accordance
35 with Article 6 (commencing with Section 16780) of
36 Chapter 4 of Part 3 of Division 4 of Title 2 of the
37 Government Code, which is a part of the State General
38 Obligation Bond Law. Approval by the voters of the state
39 for the issuance of the bonds described in this chapter
40 includes the approval of the issuance of any bonds issued



1 to refund any bonds originally issued under this chapter
2 or any previously issued refunding bonds.

3 100560. The Legislature hereby finds and declares
4 that, inasmuch as the proceeds from the sale of bonds
5 authorized by this chapter are not “proceeds of taxes” as
6 that term is used in Article XIII B of the California
7 Constitution, the disbursement of these proceeds is not
8 subject to the limitations imposed by that article.

9 SEC. 17. Section 1003 of the Elections Code is
10 amended to read:

11 1003. This chapter shall not apply to the following:

- 12 (1) Any special election called by the Governor.
- 13 (2) Elections held in chartered cities or chartered
14 counties in which the charter provisions are inconsistent
15 with this chapter.
- 16 (3) School governing board elections consolidated
17 pursuant to Section 5006 of the Education Code or
18 initiated by petition pursuant to Section 5091 of the
19 Education Code.
- 20 (4) Elections of any kind required or permitted to be
21 held by a school district located in a chartered city or
22 county when the election is consolidated with a regular
23 city or county election held in a jurisdiction that includes
24 95 percent or more of the school district’s population.
- 25 (5) County, municipal, district, and school district
26 initiative, referendum, or recall elections.
- 27 (6) Any election conducted solely by mailed ballot
28 pursuant to Division 4 (commencing with Section 4000).
- 29 (7) Elections held pursuant to Article 1 (commencing
30 with Section 15100) of Chapter 1 of Part 10 of the
31 Education Code.

32 SEC. 18. Section 4420 of the Government Code is
33 amended to read:

34 4420. (a) An officer or employee of this state, or of
35 any public agency or of any public authority, and a person
36 acting or purporting to act on behalf of any officer,
37 employee, or public agency or authority, except a public
38 agency or authority created pursuant to agreement or
39 compact with another state, may not, with respect to any
40 public building or construction contract that is about to



1 ~~be or that has been competitively bid, require the bidder~~
2 ~~to make application to, or furnish financial data to, or to~~
3 ~~obtain or procure any surety bond or contract of~~
4 ~~insurance specified in connection with the contract, or~~
5 ~~specified by any law, ordinance, or regulation, from, a~~
6 ~~particular surety or insurance company, agent, or broker.~~

7 ~~(b) An officer or employee, or person, firm, or~~
8 ~~corporation acting or purporting to act on behalf of any~~
9 ~~officer or employee, may not negotiate, make application~~
10 ~~for, obtain, or procure any surety bond or contract of~~
11 ~~insurance, except contracts of insurance for builder's risk~~
12 ~~or owner's protective liability, that can be obtained or~~
13 ~~procured by the bidder, contractor, or subcontractor.~~

14 ~~(c) Subdivision (b) shall not apply to any of the~~
15 ~~following:~~

16 ~~(1) The construction of any exclusive public mass~~
17 ~~transit guideway project in any county with a population~~
18 ~~exceeding 5,000,000, or in the County of Santa Clara or the~~
19 ~~City and County of San Francisco.~~

20 ~~(2) An exclusive public mass transit guideway project~~
21 ~~undertaken by either the San Francisco Bay Area Rapid~~
22 ~~Transit District or the Sacramento Regional Transit~~
23 ~~District.~~

24 ~~(3) An airport expansion project undertaken at the~~
25 ~~San Francisco International Airport.~~

26 ~~(4) A water, wastewater, or reclamation project~~
27 ~~undertaken by a public agency serving a population~~
28 ~~exceeding 250,000.~~

29 ~~(5) An exclusive public water storage or conveyance~~
30 ~~facility undertaken by a metropolitan water district that~~
31 ~~was organized under the Metropolitan Water District~~
32 ~~Act, Chapter 209 of the Statutes of 1969, as amended.~~

33 ~~(6) A county medical center within San Bernardino~~
34 ~~County or Riverside County.~~

35 ~~(7) A construction project undertaken by the harbor~~
36 ~~departments of the City of Los Angeles and the City of~~
37 ~~Long Beach, or any joint powers authority formed by the~~
38 ~~City of Los Angeles and the City of Long Beach, for the~~
39 ~~purpose of improving the Alameda Corridor.~~



1 ~~(8) A construction or renovation project undertaken~~
2 ~~by the Foothill/Eastern or San Joaquin Hills~~
3 ~~Transportation Corridor Agencies in Orange County.~~

4 ~~(9) The construction or renovation of additions to any~~
5 ~~county medical center located within Santa Clara~~
6 ~~County.~~

7 ~~(10) A construction project undertaken by a public~~
8 ~~school district.~~

9 ~~(d) (1) Notwithstanding _____ subdivision _____ (b),~~
10 ~~commencing January 1, 1996, a public agency may utilize~~
11 ~~owner controlled or wrap up insurance programs if all of~~
12 ~~the following conditions are met:~~

13 ~~(A) The total cost of the public works project is over~~
14 ~~one hundred twenty-five million dollars (\$125,000,000) or~~
15 ~~it is a public school project.~~

16 ~~(B) The program maintains completed operation~~
17 ~~coverage for a term for which the Insurance~~
18 ~~Commissioner has determined that coverage is~~
19 ~~reasonably commercially available, but in no event less~~
20 ~~than three years.~~

21 ~~(C) Bid specifications clearly specify for all bidders the~~
22 ~~insurance coverage provided under the program, and~~
23 ~~minimum safety requirements that must be met.~~

24 ~~(D) The program does not prohibit a contractor or~~
25 ~~subcontractor from purchasing any additional insurance~~
26 ~~coverage that a contractor or subcontractor believes is~~
27 ~~necessary to protect themselves from any liability arising~~
28 ~~out of the contract.~~

29 ~~(E) The program does not include surety insurance.~~

30 ~~(2) Safety requirements for a public works project~~
31 ~~subject to this subdivision may be developed jointly~~
32 ~~between the public agency and the prime contractor. In~~
33 ~~the event the public agency requires a safety program~~
34 ~~different than the prime contractor's usual and~~
35 ~~customary program, the program shall be mutually~~
36 ~~agreed upon, taking into account the prime contractor's~~
37 ~~experience, expertise, existing labor agreements relating~~
38 ~~to safety issues, and any unique safety issues relating to~~
39 ~~the project.~~



1 ~~(3) This subdivision shall not affect any provision in a~~
2 ~~collective bargaining agreement specified in Section~~
3 ~~3201.5 of the Labor Code that is submitted by the prime~~
4 ~~contractor with its construction bid.~~

5 ~~(4) For purposes of this subdivision,~~
6 ~~“owner-controlled or wrap-up insurance” means a series~~
7 ~~of insurance policies issued to cover all of the contractors~~
8 ~~and subcontractors on a given project for purposes of~~
9 ~~general liability and workers’ compensation.~~

10 ~~(5) For purposes of this subdivision, “public works~~
11 ~~project” means construction being performed at one site~~
12 ~~or at a series of contiguous sites separated only by a street,~~
13 ~~roadway, waterway, or railroad right of way, or along a~~
14 ~~continuous system for the provision of water and power.~~

15 ~~(e) As used in this section, “public agency” means any~~
16 ~~city, county, city and county, district, municipal or public~~
17 ~~corporation, or any agency or instrumentality thereof.~~

18 ~~SEC. 19. The Legislature declares that it is the policy~~
19 ~~of the state to exercise prudence in undertaking the sale~~
20 ~~of bonds otherwise authorized for sale by the act adding~~
21 ~~this section. In this regard, the Legislature encourages~~
22 ~~undertaking the sale of bonds in a manner not to exceed~~
23 ~~debt service to General Fund revenue ratio of 6 percent~~
24 ~~unless the sale is in the best fiscal interest of the state.~~

25 ~~SEC. 20. Notwithstanding Section 17610 of the~~
26 ~~Government Code, if the Commission on State Mandates~~
27 ~~determines that this act contains costs mandated by the~~
28 ~~state, reimbursement to local agencies and school~~
29 ~~districts for those costs shall be made pursuant to Part 7~~
30 ~~(commencing with Section 17500) of Division 4 of Title~~
31 ~~2 of the Government Code. If the statewide cost of the~~
32 ~~claim for reimbursement does not exceed one million~~
33 ~~dollars (\$1,000,000), reimbursement shall be made from~~
34 ~~the State Mandates Claims Fund.~~

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

39 ~~SEC. 21. (a) Section 16 of this act shall become~~
40 ~~effective upon the approval by the voters, at the~~



1 ~~November 3, 1998, statewide general election, of the Class~~
2 ~~Size Reduction Kindergarten University Public~~
3 ~~Education Facilities Bond Act of 1998, as set forth in~~
4 ~~Section 16 of this act.~~

5 ~~(b) The Secretary of State shall include, in the ballot~~
6 ~~pamphlets mailed pursuant to Section 9094 of the~~
7 ~~Elections Code, the information specified in Section 9084~~
8 ~~of the Elections Code regarding the bond act contained~~
9 ~~in Section 16 of this act.~~

10 ~~SEC. 22. (a) Notwithstanding any other provision of~~
11 ~~law, with respect to the Class Size Reduction~~
12 ~~Kindergarten University Public Education Facilities~~
13 ~~Bond Act of 1998, all ballots of the November 3, 1998,~~
14 ~~statewide general election shall have printed thereon and~~
15 ~~in a square thereof, exclusively the words: "Class Size~~
16 ~~Reduction Kindergarten University Public Education~~
17 ~~Facilities Bond Act of 1998" and in the same square under~~
18 ~~those words, the following in 8-point type: "This four~~
19 ~~billion five hundred million dollar (\$4,500,000,000) bond~~
20 ~~issue will provide substantial funding for facilities to~~
21 ~~reduce class size in primary grades, to accommodate~~
22 ~~student enrollment growth and to relieve overcrowding~~
23 ~~in K-12 schools, and provide funds to repair and~~
24 ~~modernize schools. Funds will also be used to upgrade~~
25 ~~and build new classrooms in community colleges, the~~
26 ~~California State University, and the University of~~
27 ~~California. These bonds may be used only for approved~~
28 ~~school construction projects." Opposite the square, there~~
29 ~~shall be left spaces in which the voters may place a cross~~
30 ~~in the manner required by law to indicate whether they~~
31 ~~vote for or against the act.~~

32 ~~(b) Notwithstanding Sections 13247 and 13281 of the~~
33 ~~Elections Code, the language in subdivision (a) shall be~~
34 ~~the only language included in the ballot label for the~~
35 ~~condensed statement of the ballot title, and the Attorney~~
36 ~~General shall not supplement, subtract from, or revise~~
37 ~~that language, except that the Attorney General may~~
38 ~~include the financial impact summary prepared pursuant~~
39 ~~to Section 9087 of the Elections Code and Section 88003~~
40 ~~of the Government Code. The ballot label is the~~



1 ~~condensed statement of the ballot title and the financial~~
2 ~~impact summary.~~

3 ~~(e) Where the voting in the election is done by means~~
4 ~~of voting machines used pursuant to law in a manner that~~
5 ~~carries out the intent of this section, the use of the voting~~
6 ~~machines and the expression of the voters' choice by~~
7 ~~means thereof are in compliance with this section.~~

8 ~~SEC. 23. Notwithstanding the requirements of~~
9 ~~Sections 9040, 9043, 9044, 9061, and 9082 of the Elections~~
10 ~~Code or any other provision of law, the Secretary of State~~
11 ~~shall submit Section 16 of this act to the voters at the~~
12 ~~November 3, 1998, statewide general election.~~

13 ~~SEC. 24. Notwithstanding Section 13282 of the~~
14 ~~Elections Code, the public shall be permitted to examine~~
15 ~~the condensed statement of the ballot title regarding the~~
16 ~~measure set forth in Section 16 of this act for not more~~
17 ~~than eight days. Any voter may seek a writ of mandate for~~
18 ~~the purpose of requiring any statement of the ballot title,~~
19 ~~or portion thereof, to be amended or deleted only within~~
20 ~~that eight day period.~~

21 ~~SEC. 25. The Secretary of State shall include, in the~~
22 ~~ballot pamphlets mailed pursuant to Section 9094 of the~~
23 ~~Elections Code, the information specified in Section 9084~~
24 ~~of the Elections Code regarding the bond act contained~~
25 ~~in Section 16 of this act. If that inclusion is not possible, the~~
26 ~~Secretary of State shall publish a supplemental ballot~~
27 ~~pamphlet regarding this act to be mailed with the ballot~~
28 ~~pamphlet. If the supplemental ballot pamphlet cannot be~~
29 ~~mailed with the ballot pamphlet, the supplemental ballot~~
30 ~~pamphlet shall be mailed separately.~~

31 ~~SEC. 26. This act is an urgency statute necessary for~~
32 ~~the immediate preservation of the public peace, health,~~
33 ~~or safety within the meaning of Article IV of the~~
34 ~~Constitution and shall go into immediate effect. The facts~~
35 ~~constituting the necessity are:~~

36 ~~In order to provide adequate school facilities to house~~
37 ~~the growing pupil population attending the California~~
38 ~~schools, to facilitate class size reduction, to renovate~~
39 ~~existing facilities, to provide for joint-use facilities, and to~~
40 ~~provide adequate higher education facilities to~~



- 1 ~~accommodate the growing number of students, it is~~
- 2 ~~necessary that this act take effect immediately.~~

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