

AMENDED IN SENATE APRIL 28, 1999

AMENDED IN SENATE APRIL 6, 1999

SENATE BILL

No. 1118

Introduced by Senator Alarcon

February 26, 1999

An act to amend Sections 5322, 5324, 5325, 15140, ~~15146, and 72035~~ and 15146 of, to add Section 15150 to, the Education Code, and to amend Section 53508.7 of the Government Code, relating to schools and community colleges.

LEGISLATIVE COUNSEL'S DIGEST

SB 1118, as amended, Alarcon. Schools and community colleges: governing boards.

Under existing law, whenever an election is ordered, the governing board of a district or the board or officer authorized by the Education Code to make such designations is required, not less than 123 days prior to the date set for the election, to specify the date and purpose of the election. At least 120 days prior to the date specified for the holding of any school election, the county superintendent of schools is required to deliver to the county clerk or registrar of voters, if such office has been established in the county where the election is to be held, copies of the order of election and the formal notice of election. Delivery of a copy of the formal notice of election to the county clerk or registrar of voters is required at least 120 days prior to the date of the election.

This bill would impose a state-mandated local program by instead requiring that, in the case of an election on a measure,

the order of election, the specification of the date and purpose of the election, and the formal notice of election, to be made at least 88 days prior to the date of the election.

~~Under existing law, relative to the San Diego Community College District, the county committee on school district organization may propose to the district voters that the member residing in each trustee area be elected by the registered voters of that particular trustee area. This proposal is required to be submitted to the voters of the district at the next regular general district election occurring at least 123 days after its adoption.~~

~~This bill would impose a state-mandated local program by instead requiring that the proposal be submitted to the voters of the district at the next regular general district election occurring at least 88 days after the adoption of the proposal by the county committee on school district organization.~~

Existing law provides for various state bond acts that provide for the issuance, pursuant to the State General Obligation Bond Law, of bonds and the expenditure of the proceeds therefrom to aid the school districts and the California Community Colleges for, among other things, the construction and equipping of educational facilities.

Under existing law, the bonds of a school district or community college district are required to be issued and sold by the board of supervisors of the county, the county superintendent of schools that has jurisdiction over the district, or the community college district governing board, where appropriate, as soon as possible following receipt of a resolution duly adopted by the governing board of the school district or community college district.

~~This bill would instead provide that the bonds of a school district or community college district are required to be offered for sale by the governing board of the school district or the community college district, as soon as possible following a resolution duly adopted by the governing board of the school district or community college district and would provide related powers to these governing boards in connection with the issuance and sale of these bonds. To the extent this bill would increase the duties of these governing boards to issue and offer bonds for sale, it would impose a state-mandated~~



~~local program~~ provide, notwithstanding this provision, that the board of supervisors of any county may provide by resolution that a governing board of a school district or community college district within the county superintendent's jurisdiction may issue and sell bonds on its own behalf.

This bill would impose a state-mandated local program by requiring the governing board of a school district or community college district that issued bonds or refunding bonds payable from ad valorem taxes to transmit the authorizing resolution and debt service schedule to the county auditor and county treasurer.

Under existing law, bonds are required to be sold at a public sale and at a price at, above, or below par, as the legislative body determines.

This bill would allow school district and community college district bonds to be sold at public or private sale.

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.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

- 1 SECTION 1. Section 5322 of the Education Code is
- 2 amended to read:
- 3 5322. Whenever an election is ordered, the governing
- 4 board of the district or the board or officer authorized by
- 5 this code to make such designations shall, concurrently
- 6 with or after the order of election but not less than 123
- 7 days prior to the date of the election in the case of an



1 election for governing board members, or, at least 88 days
2 prior to the date of the election in the case of an election
3 on a measure, by resolution delivered to the county
4 superintendent of schools and the officer conducting the
5 election specify the following, or such of the following as
6 he or she or it may have authority to designate:

7 (a) The date of the election.

8 (b) The purpose of the election.

9 The resolution or resolutions shall be known as
10 “specifications of the election order” and shall set forth
11 the authority for ordering the election, the authority for
12 the specification of the election order and the signature
13 of the officer or the clerk of the board by law authorized
14 to make the designations therein contained.

15 SEC. 2. Section 5324 of the Education Code is
16 amended to read:

17 5324. At least 120 days prior to the date of the election
18 in the case of an election for governing board members
19 or at least 88 days prior to the date of the election in the
20 case of an election on a measure, the county
21 superintendent of schools shall deliver to the county clerk
22 or registrar of voters, if such office has been established
23 in the county where the election is to be held, copies of:

24 (a) The order of election.

25 (b) The formal notice of election.

26 SEC. 3. Section 5325 of the Education Code is
27 amended to read:

28 5325. Any school district election or community
29 college district election ordered to be held in accordance
30 with this code shall be called by the county
31 superintendent of schools having jurisdiction of the
32 election by doing both of the following:

33 (a) Posting or publication of notices of election.

34 (b) Delivery of a copy of the formal notice of election
35 to the county clerk or registrar of voters at least 120 days
36 prior to the date of the election in the case of an election
37 for governing board members or at least 88 days prior to
38 the date of the election in the case of an election on a
39 measure.



1 SEC. 4. Section 15140 of the Education Code is
2 amended to read:

3 ~~15140. Bonds of a school district or community college~~
4 ~~district shall be offered for sale by the governing board of~~
5 ~~the school district or the community college district as~~
6 ~~soon as possible following a~~

7 *15140. (a) Bonds of a school district or community*
8 *college district shall be offered for sale by the board of*
9 *supervisors of the county, the county superintendent of*
10 *which has jurisdiction over the district, or the community*
11 *college district governing board, where appropriate, as*
12 *soon as possible following receipt of a resolution duly*
13 *adopted by the governing board of the school district or*
14 *community college district. The resolution shall prescribe*
15 *the total amount of bonds to be sold. The resolution may*
16 *also prescribe the maximum acceptable interest rate, not*
17 *to exceed 8 percent, and the time or times when the*
18 *whole or any part of the principal of the bonds shall be*
19 *payable, which shall not be more than 25 years from the*
20 *date of the bonds.*

21 *(b) Notwithstanding subdivision (a), the board of*
22 *supervisors of any county may provide by resolution that*
23 *the governing board of a school district and community*
24 *college district over which the county superintendent of*
25 *schools has jurisdiction may issue and sell bonds on its own*
26 *behalf pursuant to this chapter without further action of*
27 *the board of supervisors or officers of that county or of any*
28 *other county in which a portion of the school district or*
29 *community college district is located. The county shall*
30 *levy and collect taxes, pay bonds, and hold bond proceeds*
31 *and tax funds pursuant to this chapter for the bonds issued*
32 *and sold pursuant to this subdivision.*

33 *(c) Whenever the governing board of a school district*
34 *or community college district issues bonds or refunding*
35 *bonds payable from ad valorem taxes the governing*
36 *board shall transmit the authorizing resolution and debt*
37 *service schedule, including the debt service schedule for*
38 *the bonds to be refunded, to the county auditor and*
39 *county treasurer in sufficient time to permit the county*



1 *to establish tax rates and necessary funds or accounts for*
2 *the bonds.*

3 SEC. 5. Section 15146 of the Education Code is
4 amended to read:

5 15146. (a) The bonds shall be issued and sold ~~by the~~
6 ~~governing board of the school district or the community~~
7 ~~college district pursuant to Section 15140~~, payable out of
8 the interest and sinking fund of the district. The
9 governing board may sell the bonds at a negotiated sale
10 or by competitive bidding. The bonds may be sold at a
11 discount not to exceed 5 percent and at an interest rate
12 not exceeding the maximum permitted by law. If the sale
13 is by competitive bid, the governing board shall comply
14 with Sections 15147 and 15148. The bonds shall be sold by
15 the governing board no later than the date designated by
16 the governing board as the final date for the sale of the
17 bonds.

18 (b) The proceeds of the sale of the bonds, exclusive of
19 any premium received, shall be deposited in the county
20 treasury to the credit of the building fund of the school
21 district, or community college district as designated by
22 the California Community Colleges Budget and
23 Accounting Manual. The proceeds deposited shall be
24 drawn out as other school moneys are drawn out. The
25 bond proceeds withdrawn shall not be applied to any
26 other purposes than those for which the bonds were
27 issued. Any premium or accrued interest received from
28 the sale of the bonds shall be deposited in the interest and
29 sinking fund of the district.

30 (c) The governing board ~~of the school district or the~~
31 ~~community college district~~ may cause to be deposited
32 proceeds of sale of any series of the bonds in an amount
33 not exceeding 2 percent of the principal amount of the
34 bonds in a costs of issuance account, which may be
35 created in the county treasury or held by a fiscal agent
36 appointed by the district for this purpose, separate from
37 the building fund and the interest and sinking fund of the
38 district. The proceeds deposited shall be drawn out on the
39 order of the governing board or an officer of the district
40 duly authorized by the governing board to make the



1 order, only to pay authorized costs of issuance of the
2 bonds. Upon the order of the governing board or duly
3 authorized officer, the remaining balance shall be
4 transferred to the county treasury to the credit of the
5 building fund of the school district or community college
6 district. The deposit of bond proceeds pursuant to this
7 subdivision shall be a proper charge against the building
8 fund of the district.

9 (d) The governing board ~~of the school district or the~~
10 ~~community college district~~ may cause to be deposited
11 proceeds of sale of any series of the bonds in the interest
12 and sinking fund of the district in the amount of the
13 annual reserve permitted by Section 15250 or in any lesser
14 amount, as the governing board shall determine from
15 time to time. The deposit of bond proceeds pursuant to
16 this subdivision shall be a proper charge against the
17 building fund of the district.

18 (e) The governing board ~~of the school district or the~~
19 ~~community college district~~ may cause to be deposited
20 proceeds of sale of any series of the bonds in the interest
21 and sinking fund of the district in the amount not
22 exceeding the interest scheduled to become due on that
23 series of bonds for a period of two years from the date of
24 issuance of that series of bonds. The deposit of bonds
25 proceeds pursuant to this subdivision shall be a proper
26 charge against the building fund of the district.

27 SEC. 6. Section 15150 is added to the Education Code,
28 to read:

29 15150. (a) When the governing board of a school
30 district or a community college district deems it in the
31 best interests of the district, it may by resolution, upon
32 such terms and conditions as it shall prescribe, issue notes,
33 on a negotiated or competitive-bid basis, maturing within
34 a period not to exceed one year, in anticipation of the sale
35 of bonds authorized pursuant to Section 15100 at the time
36 the notes are issued. The proceeds from the sale of the
37 notes shall be used only for authorized purposes of the
38 bonds.

39 (b) All notes issued and any renewal thereof shall be
40 payable at a fixed time, solely from the proceeds of the



1 sale of the bonds and not otherwise, except that in the
2 event that the sale of the bonds does not occur prior to the
3 maturity of the notes issued in anticipation of the sale, the
4 fiscal officer of the district, in order to meet the notes then
5 maturing, shall issue renewal notes for this purpose. The
6 renewal of a note may not be issued after the sale of bonds
7 in anticipation of which the original note was issued.
8 There shall be only one renewal of the note or notes.

9 (c) Every note and any renewal thereof shall be
10 payable from the proceeds of the sale of bonds and not
11 otherwise. The total amount of the notes or renewals
12 thereof issued and outstanding may not at any time
13 exceed the total amount of the unsold bonds.

14 (d) Interest on the notes shall be payable from
15 proceeds of the sale of bonds.

16 ~~SEC. 7. Section 72035 of the Education Code is~~
17 ~~amended to read:~~

18 ~~72035. Notwithstanding any other provision of law,~~
19 ~~including, but not limited to, the Charter of the City of~~
20 ~~San Diego, the number of members, the election of~~
21 ~~members, and the reapportionment of trustee areas of~~
22 ~~the governing board of the San Diego Community~~
23 ~~College District shall be conducted pursuant to this~~
24 ~~section.~~

25 ~~(a) Candidates for election as a member of the~~
26 ~~governing board of the district shall be nominated by~~
27 ~~trustee area at a district primary election held on the date~~
28 ~~of the statewide direct primary election. At the district~~
29 ~~primary election, the two candidates receiving the~~
30 ~~highest number of votes within the trustee area shall be~~
31 ~~nominees for the general district election for that trustee~~
32 ~~area, and the nominee who receives a majority of the~~
33 ~~votes cast by the voters of the district in the districtwide~~
34 ~~general district election shall be elected to represent that~~
35 ~~trustee area. The general district election shall be held on~~
36 ~~the same date as the statewide general election.~~

37 ~~Candidates for election as members of the governing~~
38 ~~board shall file a declaration of candidacy as provided in~~
39 ~~this code. Each member of the governing board elected~~
40 ~~at the general district election shall hold office for a term~~



1 of four years commencing on the first Friday in
2 December next succeeding his or her election.

3 The members of the governing board in office on
4 August 7, 1992, shall hold office until the first Friday in
5 December of the year in which their respective term of
6 office would otherwise have terminated, or until a
7 successor qualifies therefor.

8 (b) The territory of the district shall be divided into
9 trustee areas and one member of the governing board
10 shall be elected from each trustee area. A candidate for
11 election as a member of the governing board shall reside
12 in, and be registered to vote in, the trustee area he or she
13 seeks to represent.

14 (c) The governing board of the district shall be
15 composed of not less than five members and not more
16 than nine, as determined by the governing board.
17 Sections 5019 to 5030, inclusive, do not apply to the
18 governing board's determination of the number of
19 members pursuant to this subdivision. If the number of
20 members of the governing board is increased or
21 decreased, the governing board shall establish new
22 trustee areas, abolish trustee areas, or adjust the
23 boundaries of trustee areas so that the number of trustee
24 areas is equal to the number of governing board
25 members. If the number of members of the governing
26 board is increased, the additional members of the
27 governing board shall be elected at the next regular
28 general district election of board members occurring at
29 least 123 days after the governing board approved the
30 increased number of board members. Prior to the next
31 general district election, the governing board shall divide
32 by lot the additional trustee area positions that are
33 created so that the term of one-half of the board members
34 elected to those positions shall expire on the first Friday
35 in December following the next general district election.
36 The term of the other board members elected to fill the
37 remainder of the additional positions shall expire on the
38 first Friday in December following the second general
39 district election succeeding their election.



1 ~~(d) The governing board shall adjust the boundaries of~~
2 ~~each trustee area in existence on January 1, 1992, to reflect~~
3 ~~population changes enumerated in the 1990 decennial~~
4 ~~federal census. The purpose of the adjustment is to~~
5 ~~establish trustee areas so that the population of each area~~
6 ~~is, as nearly as may be, the same proportion of the total~~
7 ~~population of the district as each of the other areas.~~
8 ~~Thereafter, the boundaries of trustee areas shall be~~
9 ~~adjusted pursuant to Section 5019.5 and may be abolished~~
10 ~~or rearranged as otherwise provided in this code.~~

11 ~~(e) Pursuant to Sections 5019 and 5030, the county~~
12 ~~committee on school district organization may propose to~~
13 ~~the district voters that the member residing in each~~
14 ~~trustee area be elected by the registered voters of that~~
15 ~~particular trustee area. The proposal shall be submitted~~
16 ~~to the voters of the district at the next regular general~~
17 ~~district election occurring at least 88 days after the~~
18 ~~adoption of the proposal by the county committee on~~
19 ~~school district organization. If that proposal is approved~~
20 ~~by a majority of the voters voting in the election, then~~
21 ~~notwithstanding subdivision (a), there shall be no direct~~
22 ~~primary election for governing board members at the~~
23 ~~next election for members. Instead, members shall be~~
24 ~~elected at a general district election held on the same day~~
25 ~~as the statewide general election. At that general district~~
26 ~~election, board member candidates shall be elected to~~
27 ~~represent the trustee area in which they reside and are~~
28 ~~registered to vote by the registered voters of that trustee~~
29 ~~area. The candidate in each trustee area receiving the~~
30 ~~highest number of votes shall be elected.~~

31 ~~SEC. 8.—~~

32 ~~SEC. 7. Section 53508.7 of the Government Code is~~
33 ~~amended to read:~~

34 ~~53508.7. (a) The bonds shall be sold at a public or~~
35 ~~private sale and at a price at, above, or below par, as the~~
36 ~~legislative body determines.~~

37 ~~(b) Any bonds sold at a discount below the par value~~
38 ~~of the bonds shall be sold in compliance with the~~
39 ~~provisions of Section 53532.~~



1 (c) *The private sale of bonds is limited to the sale of*
2 *school districts' and community college districts' bonds*
3 *pursuant to Sections 15140 or 15146 of the Education*
4 *Code.*

5 ~~SEC. 9.—~~

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

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