

AMENDED IN SENATE APRIL 23, 2009

SENATE BILL

No. 271

Introduced by Senator Ducheny

February 24, 2009

~~An act to add Chapter 14.27 (commencing with Section 67325) to Part 40 of Division 5 of Title 3 of the Education Code, relating to public postsecondary education. An act to add Part 70 (commencing with Section 102000) to Division 14 of Title 3 of the Education Code, relating to education facilities, and by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 271, as amended, Ducheny. Higher Education Facilities Bond Act of 2010.

Under existing law, various higher education facilities bond acts authorize the sale of bonds for the purpose of funding the construction of facilities for the University of California, the California State University, the California Community Colleges, the Hastings College of the Law, and the California Maritime Academy.

This bill would enact the Higher Education Facilities Bond Act of 2010, to become operative only if approved by the voters at the next statewide election, and would provide for its submission to the voters at that election.

The bond act, if approved by the voters, would provide for the issuance of state general obligation bonds in an unspecified total amount, to provide aid to the California Community Colleges, the University of California, the Hastings College of the Law, and the California State University to construct and modernize education facilities.

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

1 SECTION 1. Part 70 (commencing with Section 102000) is
2 added to Division 14 of Title 3 of the Education Code, to read:

6
7 *CHAPTER 1. GENERAL PROVISIONS*

102002. Bonds in the total amount of ____ dollars (\$____), or
so much thereof as is necessary, not including the amount of any
refunding bonds, or so much thereof as is necessary, may be issued
and sold to provide a fund to be used for carrying out the purposes
expressed in this part and to reimburse the General Obligation
Bond Expense Revolving Fund pursuant to Section 16724.5 of the
Government Code. The bonds, when sold, shall be and constitute
a valid and binding obligation of the State of California, and the
full faith and credit of the State of California is hereby pledged
for the punctual payment of both principal of, and interest on, the
bonds as the principal and interest become due and payable.

1 *CHAPTER 2. CALIFORNIA COMMUNITY COLLEGE FACILITIES*

2
3 *Article 1. General*

4
5 102010. (a) *The 2010 California Community College Capital*
6 *Outlay Bond Fund is hereby established in the State Treasury for*
7 *deposit of funds from the proceeds of bonds issued and sold for*
8 *the purposes of this chapter.*

9 (b) *The Higher Education Facilities Finance Committee*
10 *established pursuant to Section 67353 is hereby authorized to*
11 *create a debt or debts, liability or liabilities, of the State of*
12 *California pursuant to this chapter for the purpose of providing*
13 *funds to aid the California Community Colleges.*

14
15 *Article 2. California Community College Program Provisions*

16
17 102020. (a) *From the proceeds of bonds issued and sold*
18 *pursuant to Article 3 (commencing with Section 102020), the sum*
19 *of two billion six hundred million dollars (\$2,600,000,000) shall*
20 *be deposited in the 2010 California Community College Capital*
21 *Outlay Bond Fund for the purposes of this article. When*
22 *appropriated, these funds shall be available for expenditure for*
23 *the purposes of this article.*

24 (b) *The purposes of this article include assisting in meeting the*
25 *capital outlay financing needs of the California Community*
26 *Colleges.*

27 (c) (1) *Proceeds from the sale of bonds issued and sold for the*
28 *purposes of this article may be used to fund construction on*
29 *existing campuses, including the construction of buildings and the*
30 *acquisition of related fixtures, the construction of facilities that*
31 *may be used by more than one segment of public higher education*
32 *(intersegmental), the renovation and reconstruction of facilities,*
33 *site acquisition, the equipping of new, renovated, or reconstructed*
34 *facilities, which equipment shall have an average useful life of 10*
35 *years; and to provide funds for the payment of preconstruction*
36 *costs, including, but not limited to, preliminary plans and working*
37 *drawings for facilities of the California Community Colleges.*

38 (2) (A) *Not more than 10 percent of the moneys allocated for*
39 *the construction of a facility may be used to mitigate off-site*
40 *infrastructure impacts of the facility.*

1 (B) Moneys may be used for the purposes of subparagraph (A)
2 only if the state or local public agency with jurisdiction over the
3 impacted infrastructure provides matching funds, in an amount
4 that is equal to the amount authorized pursuant to subparagraph
5 (A).

6
7 Article 3. California Community College Fiscal Provisions
8

9 102030. (a) Of the total amount of bonds authorized to be
10 issued and sold pursuant to Chapter 1 (commencing with Section
11 102000), bonds in the total amount of two billion six hundred
12 million dollars (\$2,600,000,000), not including the amount of any
13 refunding bonds issued in accordance with Section 102039, or so
14 much thereof as is necessary, may be issued and sold to provide
15 a fund to be used for carrying out the purposes expressed in this
16 chapter and to reimburse the General Obligation Bond Expense
17 Revolving Fund pursuant to Section 16724.5 of the Government
18 Code. The bonds, when sold, shall be and constitute a valid and
19 binding obligation of the State of California, and the full faith and
20 credit of the State of California is hereby pledged for the punctual
21 payment of the principal of, and interest on, the bonds as the
22 principal and interest become due and payable.

23 (b) It is the intent of the Legislature that the California
24 Community Colleges annually consider, as part of their annual
25 capital outlay planning process, the inclusion of facilities that may
26 be used by more than one segment of public higher education
27 (intersegmental), and, that on or before May 15th of each year,
28 those entities report their findings to the budget committees of
29 each house of the Legislature.

30 (c) Pursuant to this section, the Treasurer shall sell the bonds
31 authorized by the Higher Education Facilities Finance Committee
32 established pursuant to Section 67353 at any different times
33 necessary to service expenditures required by the apportionments.

34 102031. (a) The bonds authorized by this chapter shall be
35 prepared, executed, issued, sold, paid, and redeemed as provided
36 in the State General Obligation Bond Law (Chapter 4 (commencing
37 with Section 16720) of Part 3 of Division 4 of Title 2 of the
38 Government Code), and all of the provisions of that law, except
39 Section 16727 of the Government Code to the extent that it conflicts
40 with this part, apply to the bonds and to this chapter and are hereby

1 incorporated into this chapter as though set forth in full within
2 this chapter.

3 (b) For the purposes of the State General Obligation Bond Law,
4 each state agency administering an appropriation of the 2010
5 Community College Capital Outlay Bond Fund is designated as
6 the “board” for projects funded pursuant to this chapter.

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

12 102032. The Higher Education Facilities Finance Committee
13 established pursuant to Section 67353 shall authorize the issuance
14 of bonds under this chapter only to the extent necessary to fund
15 the apportionments for the purposes described in this chapter that
16 are expressly authorized by the Legislature in the annual Budget
17 Act. Pursuant to that legislative direction, the committee shall
18 determine whether or not it is necessary or desirable to issue bonds
19 authorized pursuant to this chapter in order to carry out the
20 purposes described in this chapter and, if so, the amount of bonds
21 to be issued and sold. Successive issues of bonds may be authorized
22 and sold to carry out those actions progressively, and it is not
23 necessary that all of the bonds authorized to be issued be sold at
24 any one time.

25 102033. There shall be collected each year and in the same
26 manner and at the same time as other state revenue is collected,
27 in addition to the ordinary revenues of the state, a sum in an
28 amount required to pay the principal of, and interest on, the bonds
29 each year. It is the duty of all officers charged by law with any
30 duty in regard to the collection of the revenue to do and perform
31 each and every act which is necessary to collect that additional
32 sum.

33 102034. Notwithstanding Section 13340 of the Government
34 Code, there is hereby appropriated from the General Fund in the
35 State Treasury, for the purposes of this chapter, an amount that
36 will equal the total of the following:

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

1 (b) *The sum necessary to carry out Section 102037, appropriated*
2 *without regard to fiscal years.*

3 102035. *The board, as defined in subdivision (b) of Section*
4 *102031, may request the Pooled Money Investment Board to make*
5 *a loan from the Pooled Money Investment Account or any other*
6 *approved form of interim financing, in accordance with Section*
7 *16312 of the Government Code, for the purpose of carrying out*
8 *this chapter. The amount of the request shall not exceed the amount*
9 *of the unsold bonds that the committee, by resolution, has*
10 *authorized to be sold for the purpose of carrying out this chapter.*
11 *The board, as defined in subdivision (b) of Section 102031, shall*
12 *execute any documents required by the Pooled Money Investment*
13 *Board to obtain and repay the loan. Any amounts loaned shall be*
14 *deposited in the fund to be allocated by the board in accordance*
15 *with this chapter.*

16 102036. *Notwithstanding any other provision of this chapter,*
17 *or of the State General Obligation Bond Law, if the Treasurer*
18 *sells bonds pursuant to this chapter that include a bond counsel*
19 *opinion to the effect that the interest on the bonds is excluded from*
20 *gross income for federal tax purposes, subject to designated*
21 *conditions, the Treasurer may maintain separate accounts for the*
22 *investment of bond proceeds and for the investment earnings on*
23 *those proceeds. The Treasurer may use or direct the use of those*
24 *proceeds or earnings to pay any rebate, penalty, or other payment*
25 *required under federal law or take any other action with respect*
26 *to the investment and use of those bond proceeds required or*
27 *desirable under federal law to maintain the tax-exempt status of*
28 *those bonds and to obtain any other advantage under federal law*
29 *on behalf of the funds of this state.*

30 102037. (a) *For the purposes of carrying out this chapter, the*
31 *Director of Finance may authorize the withdrawal from the*
32 *General Fund of an amount not to exceed the amount of the unsold*
33 *bonds that have been authorized by the Higher Education Facilities*
34 *Finance Committee to be sold for the purpose of carrying out this*
35 *chapter. Any amounts withdrawn shall be deposited in the 2010*
36 *California Community College Capital Outlay Bond Fund*
37 *consistent with this chapter. Any money made available under this*
38 *section shall be returned to the General Fund, plus an amount*
39 *equal to the interest that the money would have earned in the*

1 Pooled Money Investment Account, from proceeds received from
2 the sale of bonds for the purpose of carrying out this chapter.

3 (b) Any request forwarded to the Legislature and the Department
4 of Finance for funds from this bond issue for expenditure for the
5 purposes described in this chapter by the California Community
6 Colleges shall be accompanied by the five-year capital outlay plan
7 that reflects the needs and priorities of the community college
8 system and is prioritized on a statewide basis. Requests shall
9 include a schedule that prioritizes the seismic retrofitting needed
10 to significantly reduce, in the judgment of the particular college,
11 seismic hazards in buildings identified as high priority by the
12 college.

13 102038. All money deposited in the 2010 California Community
14 College Capital Outlay Bond Fund that is derived from premium
15 and accrued interest on bonds sold shall be reserved in the fund
16 and shall be available for transfer to the General Fund as a credit
17 to expenditures for bond interest.

18 102039. The bonds may be refunded in accordance with Article
19 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
20 Division 4 of Title 2 of the Government Code, which is a part of
21 the State General Obligation Bond Law. Approval by the voters
22 of the state for the issuance of the bonds described in this chapter
23 includes the approval of the issuance of any bonds issued to refund
24 any bonds originally issued under this chapter or any previously
25 issued refunding bonds.

26 102040. The Legislature hereby finds and declares that,
27 inasmuch as the proceeds from the sale of bonds authorized by
28 this chapter are not “proceeds of taxes” as that term is used in
29 Article XIII B of the California Constitution, the disbursement of
30 these proceeds is not subject to the limitations imposed by that
31 article.

32 CHAPTER 4. UNIVERSITY FACILITIES

33 Article 1. General

34
35
36
37 102050. (a) The system of public universities in this state
38 includes the University of California, the Hastings College of the
39 Law, and the California State University, and their respective
40 off-campus centers.

1 (b) The 2010 University Capital Outlay Bond Fund is hereby
2 established in the State Treasury for deposit of funds from the
3 proceeds of bonds issued and sold for the purposes of this chapter.

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

10
11 Article 2. Program Provisions Applicable to the University of
12 California
13

14 102055. (a) From the proceeds of bonds issued and sold
15 pursuant to Article 5 (commencing with Section 102070), the sum
16 of two billion two hundred million dollars (\$2,200,000,000) shall
17 be deposited in the 2010 University Capital Outlay Bond Fund for
18 the purposes of this article. When appropriated, these funds shall
19 be available for expenditure for the purposes of this article.

20 (b) The purposes of this article include assisting in meeting the
21 capital outlay financing needs of the University of California.

22 (c) Of the amount made available under subdivision (a), the
23 amount of four hundred million dollars (\$400,000,000) shall be
24 used for capital improvements that expand and enhance medical
25 education programs with an emphasis on telemedicine aimed at
26 developing high-tech approaches to health care.

27 (d) (1) Proceeds from the sale of bonds issued and sold for the
28 purposes of this article may be used to fund construction on
29 existing campuses, including the construction of buildings and the
30 acquisition of related fixtures, construction of facilities that may
31 be used by more than one segment of public higher education
32 (intersegmental), the renovation and reconstruction of facilities,
33 site acquisition, the equipping of new, renovated, or reconstructed
34 facilities, which equipment shall have an average useful life of 10
35 years; and to provide funds for the payment of preconstruction
36 costs, including, but not limited to, preliminary plans and working
37 drawings for facilities of the University of California and the
38 Hastings College of the Law.

1 (2) (A) Not more than 10 percent of the moneys allocated for
2 the construction of a facility may be used to mitigate off-site
3 infrastructure impacts of the facility.

4 (B) Moneys may be used for the purposes of subparagraph (A)
5 only if the state or local public agency with jurisdiction over the
6 impacted infrastructure provides matching funds, in an amount
7 that is equal to the amount authorized pursuant to subparagraph
8 (A).

9
10 Article 3. Program Provisions Applicable to the Hastings
11 College of the Law
12

13 102060. (a) From the proceeds of bonds issued and sold
14 pursuant to Article 5 (commencing with Section 102050), the sum
15 of ____ million dollars (\$____) shall be deposited in the 2010
16 University Capital Outlay Bond Fund for the purposes of this
17 article. When appropriated, these funds shall be available for
18 expenditure for the purposes of this article.

19 (b) The purposes of this article include assisting in meeting the
20 capital outlay financing needs of the Hastings College of the Law.

21 (c) (1) Proceeds from the sale of bonds issued and sold for the
22 purposes of this article may be used to fund construction on
23 existing campuses, including the construction of buildings and the
24 acquisition of related fixtures, the renovation and reconstruction
25 of facilities, site acquisition, the equipping of new, renovated, or
26 reconstructed facilities, which equipment shall have an average
27 useful life of 10 years; and to provide funds for the payment of
28 preconstruction costs, including, but not limited to, preliminary
29 plans and working drawings for facilities of the Hastings College
30 of the Law.

31 (2) (A) Not more than 10 percent of the moneys allocated for
32 the construction of a facility may be used to mitigate off-site
33 infrastructure impacts of the facility.

34 (B) Moneys may be used for the purposes of subparagraph (A)
35 only if the state or local public agency with jurisdiction over the
36 impacted infrastructure provides matching funds, in an amount
37 that is equal to the amount authorized pursuant to subparagraph
38 (A).

Article 4. *Program Provisions Applicable to the California State University*

102065. (a) *From the proceeds of bonds issued and sold pursuant to Article 5 (commencing with Section 102070), the sum of two billion two hundred million dollars (\$2,200,000,000) shall be deposited in the 2010 University Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.*

(b) *The purposes of this article include assisting in meeting the capital outlay financing needs of the California State University.*

(c) (1) *Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California State University.*

(2) (A) *Not more than 10 percent of the moneys allocated for the construction of a facility may be used to mitigate off-site infrastructure impacts of the facility.*

(B) *Moneys may be used for the purposes of subparagraph (A) only if the state or local public agency with jurisdiction over the impacted infrastructure provides matching funds, in an amount that is equal to the amount authorized pursuant to subparagraph (A).*

Article 5. *University Fiscal Provisions*

102070. (a) *Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 102000), bonds in the amount of ____ dollars (\$____), not including the amount of any refunding bonds issued in accordance with Section 102079, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation*

Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

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

102071. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code to the extent that it conflicts with this part, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For the purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2010 University Capital Outlay Bond Fund is designated as the “board” for projects funded pursuant to this chapter.

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

102072. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments for the purposes described in this chapter that

1 are expressly authorized by the Legislature in the annual Budget
2 Act. Pursuant to that legislative direction, the committee shall
3 determine whether or not it is necessary or desirable to issue bonds
4 authorized pursuant to this chapter in order to carry out the
5 purposes described in this chapter and, if so, the amount of bonds
6 to be issued and sold. Successive issues of bonds may be authorized
7 and sold to carry out those actions progressively, and it is not
8 necessary that all of the bonds authorized to be issued be sold at
9 any one time.

10 102073. There shall be collected each year and in the same
11 manner and at the same time as other state revenue is collected,
12 in addition to the ordinary revenues of the state, a sum in an
13 amount required to pay the principal of, and interest on, the bonds
14 each year. It is the duty of all officers charged by law with any
15 duty in regard to the collection of the revenue to do and perform
16 each and every act which is necessary to collect that additional
17 sum.

18 102074. Notwithstanding Section 13340 of the Government
19 Code, there is hereby appropriated from the General Fund in the
20 State Treasury, for the purposes of this chapter, an amount that
21 will equal the total of the following:

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

25 (b) The sum necessary to carry out Section 102077, appropriated
26 without regard to fiscal years.

27 102075. The board, as defined in subdivision (b) of Section
28 102071, may request that the Pooled Money Investment Board
29 make a loan from the Pooled Money Investment Account or any
30 other approved form of interim financing, in accordance with
31 Section 16312 of the Government Code, for the purpose of carrying
32 out this chapter. The amount of the request shall not exceed the
33 amount of the unsold bonds that the committee, by resolution, has
34 authorized to be sold for the purpose of carrying out this chapter.
35 The board, as defined in subdivision (b) of Section 102071, shall
36 execute any documents required by the Pooled Money Investment
37 Board to obtain and repay the loan. Any amounts loaned shall be
38 deposited in the fund to be allocated by the board in accordance
39 with this chapter.

1 102076. Notwithstanding any other provision of this chapter,
2 or of the State General Obligation Bond Law, if the Treasurer
3 sells bonds pursuant to this chapter that include a bond counsel
4 opinion to the effect that the interest on the bonds is excluded from
5 gross income for federal tax purposes, subject to designated
6 conditions, the Treasurer may maintain separate accounts for the
7 investment of bond proceeds and for the investment earnings on
8 those proceeds. The Treasurer may use or direct the use of those
9 proceeds or earnings to pay any rebate, penalty, or other payment
10 required under federal law or take any other action with respect
11 to the investment and use of those bond proceeds required or
12 desirable under federal law to maintain the tax-exempt status of
13 those bonds and to obtain any other advantage under federal law
14 on behalf of the funds of this state.

15 102077. (a) For the purposes of carrying out this chapter, the
16 Director of Finance may authorize the withdrawal from the
17 General Fund of an amount not to exceed the amount of the unsold
18 bonds that have been authorized by the Higher Education Facilities
19 Finance Committee to be sold for the purpose of carrying out this
20 chapter. Any amounts withdrawn shall be deposited in the 2010
21 University Capital Outlay Bond Fund consistent with this chapter.
22 Any money made available under this section shall be returned to
23 the General Fund, plus an amount equal to the interest that the
24 money would have earned in the Pooled Money Investment
25 Account, from proceeds received from the sale of bonds for the
26 purpose of carrying out this chapter.

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

37 102078. All money deposited in the 2010 University Capital
38 Outlay Bond Fund that is derived from premium and accrued
39 interest on bonds sold shall be reserved in the fund and shall be

1 available for transfer to the General Fund as a credit to
2 expenditures for bond interest.

3 102079. The bonds may be refunded in accordance with Article
4 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
5 Division 4 of Title 2 of the Government Code, which is a part of
6 the State General Obligation Bond Law. Approval by the voters
7 of the state for the issuance of the bonds described in this chapter
8 includes the approval of the issuance of any bonds issued to refund
9 any bonds originally issued under this chapter or any previously
10 issued refunding bonds.

11 102080. The Legislature hereby finds and declares that,
12 inasmuch as the proceeds from the sale of bonds authorized by
13 this chapter are not “proceeds of taxes” as that term is used in
14 Article XIII B of the California Constitution, the disbursement of
15 these proceeds is not subject to the limitations imposed by that
16 article.

17
18 *CHAPTER 5. JOINT-USE FACILITIES*

19
20 *Article 1. General*

21
22 102090. For purposes of this chapter, “joint-use facility”
23 means a facility that is used for school or higher education
24 purposes by two or more of the following:

- 25 (a) A school district.
26 (b) A community college district.
27 (c) The California State University.
28 (d) The University of California.

29 102091. (a) The 2010 Joint-Use Facilities Capital Outlay
30 Bond Fund is hereby established in the State Treasury for deposit
31 of funds from the proceeds of bonds issued and sold for the
32 purposes of this chapter.

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

Article 2. Joint-Use Facilities Program Provisions

102095. (a) From the proceeds of bonds issued and sold pursuant to Article 3 (commencing with Section 102100), the sum of one hundred million dollars (\$100,000,000) shall be deposited in the 2010 Joint-Use Facilities Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California Community Colleges, the California State University, and the University of California.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction of joint-use facilities on existing campuses or schoolsites, including the construction of buildings and the acquisition of related fixtures, the renovation and reconstruction of joint-use facilities, site acquisition, the equipping of new, renovated, or reconstructed joint-use facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for joint-use facilities of the California Community Colleges, the California State University, and the University of California.

Article 3. Joint-Use Facilities Fiscal Provisions

102100. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 102000), bonds in the total amount of one hundred million dollars (\$100,000,000), not including the amount of any refunding bonds issued in accordance with Section 102109, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the

1 principal of, and interest on, the bonds as the principal and interest
2 become due and payable.

3 (b) Pursuant to this section, the Treasurer shall sell the bonds
4 authorized by the Higher Education Facilities Finance Committee
5 established pursuant to Section 67353 at any different times
6 necessary to service expenditures required by the apportionments.

7 102101. (a) The bonds authorized by this chapter shall be
8 prepared, executed, issued, sold, paid, and redeemed as provided
9 in the State General Obligation Bond Law (Chapter 4 (commencing
10 with Section 16720) of Part 3 of Division 4 of Title 2 of the
11 Government Code), and all of the provisions of that law, except
12 Section 16727 of the Government Code to the extent that it conflicts
13 with this part, apply to the bonds and to this chapter and are hereby
14 incorporated into this chapter as though set forth in full within
15 this chapter.

16 (b) For the purposes of the State General Obligation Bond Law,
17 each state agency administering an appropriation of the 2010
18 Joint-Use Facilities Capital Outlay Bond Fund is designated as
19 the “board” for projects funded pursuant to this chapter.

20 (c) The proceeds of the bonds issued and sold pursuant to this
21 chapter shall be available for the purpose of funding aid to the
22 California Community Colleges, the California State University,
23 and the University of California for the construction of joint-use
24 facilities on existing or new campuses, and their respective
25 off-campus centers and joint-use and intersegmental facilities, as
26 set forth in this chapter.

27 102102. The Higher Education Facilities Finance Committee
28 established pursuant to Section 67353 shall authorize the issuance
29 of bonds under this chapter only to the extent necessary to fund
30 the apportionments for the purposes described in this chapter that
31 are expressly authorized by the Legislature in the annual Budget
32 Act. Pursuant to that legislative direction, the committee shall
33 determine whether or not it is necessary or desirable to issue bonds
34 authorized pursuant to this chapter in order to carry out the
35 purposes described in this chapter and, if so, the amount of bonds
36 to be issued and sold. Successive issues of bonds may be authorized
37 and sold to carry out those actions progressively, and it is not
38 necessary that all of the bonds authorized to be issued be sold at
39 any one time.

1 102103. *There shall be collected each year and in the same*
2 *manner and at the same time as other state revenue is collected,*
3 *in addition to the ordinary revenues of the state, a sum in an*
4 *amount required to pay the principal of, and interest on, the bonds*
5 *each year. It is the duty of all officers charged by law with any*
6 *duty in regard to the collection of the revenue to do and perform*
7 *each and every act which is necessary to collect that additional*
8 *sum.*

9 102104. *Notwithstanding Section 13340 of the Government*
10 *Code, there is hereby appropriated from the General Fund in the*
11 *State Treasury, for the purposes of this chapter, an amount that*
12 *will equal the total of the following:*

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

16 (b) *The sum necessary to carry out Section 102107, appropriated*
17 *without regard to fiscal years.*

18 102105. *The board, as defined in subdivision (b) of Section*
19 *102101, may request the Pooled Money Investment Board to make*
20 *a loan from the Pooled Money Investment Account or any other*
21 *approved form of interim financing, in accordance with Section*
22 *16312 of the Government Code, for the purpose of carrying out*
23 *this chapter. The amount of the request shall not exceed the amount*
24 *of the unsold bonds that the committee, by resolution, has*
25 *authorized to be sold for the purpose of carrying out this chapter.*
26 *The board, as defined in subdivision (b) of Section 102101, shall*
27 *execute any documents required by the Pooled Money Investment*
28 *Board to obtain and repay the loan. Any amounts loaned shall be*
29 *deposited in the fund to be allocated by the board in accordance*
30 *with this chapter.*

31 102106. *Notwithstanding any other provision of this chapter,*
32 *or of the State General Obligation Bond Law, if the Treasurer*
33 *sells bonds pursuant to this chapter that include a bond counsel*
34 *opinion to the effect that the interest on the bonds is excluded from*
35 *gross income for federal tax purposes, subject to designated*
36 *conditions, the Treasurer may maintain separate accounts for the*
37 *investment of bond proceeds and for the investment earnings on*
38 *those proceeds. The Treasurer may use or direct the use of those*
39 *proceeds or earnings to pay any rebate, penalty, or other payment*
40 *required under federal law or take any other action with respect*

1 to the investment and use of those bond proceeds required or
2 desirable under federal law to maintain the tax-exempt status of
3 those bonds and to obtain any other advantage under federal law
4 on behalf of the funds of this state.

5 102107. (a) For the purposes of carrying out this chapter, the
6 Director of Finance may authorize the withdrawal from the
7 General Fund of an amount not to exceed the amount of the unsold
8 bonds that have been authorized by the Higher Education Facilities
9 Finance Committee to be sold for the purpose of carrying out this
10 chapter. Any amounts withdrawn shall be deposited in the 2010
11 Joint-Use Facilities Capital Outlay Bond Fund consistent with
12 this chapter. Any money made available under this section shall
13 be returned to the General Fund, plus an amount equal to the
14 interest that the money would have earned in the Pooled Money
15 Investment Account, from proceeds received from the sale of bonds
16 for the purpose of carrying out this chapter.

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

26 102108. All money deposited in the 2010 Joint-Use Facilities
27 Capital Outlay Bond Fund that is derived from premium and
28 accrued interest on bonds sold shall be reserved in the fund and
29 shall be available for transfer to the General Fund as a credit to
30 expenditures for bond interest.

31 102109. The bonds may be refunded in accordance with Article
32 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
33 Division 4 of Title 2 of the Government Code, which is a part of
34 the State General Obligation Bond Law. Approval by the voters
35 of the state for the issuance of the bonds described in this chapter
36 includes the approval of the issuance of any bonds issued to refund
37 any bonds originally issued under this chapter or any previously
38 issued refunding bonds.

39 102110. The Legislature hereby finds and declares that,
40 inasmuch as the proceeds from the sale of bonds authorized by

1 this chapter are not “proceeds of taxes” as that term is used in
2 Article XIII B of the California Constitution, the disbursement of
3 these proceeds is not subject to the limitations imposed by that
4 article.

5 SEC. 2. Section 1 of this act shall take effect upon the approval
6 by the voters of the Higher Education Facilities Bond Act of 2010,
7 as set forth in Section 1 of this act.

8 SEC. 3. (a) Section 1 of this act shall be submitted to the voters
9 at the next statewide election in accordance with provisions of the
10 Government Code and the Elections Code governing the
11 submission of a statewide measure to the voters.

12 (b) Where the voting in the election is done by means of voting
13 machines used pursuant to law in a manner that carries out the
14 intent of this section, the use of the voting machines and the
15 expression of the voters’ choice by means thereof are in compliance
16 with this section.

17 SECTION 1. ~~Chapter 14.27 (commencing with Section 67325)~~
18 ~~is added to Part 40 of Division 5 of Title 3 of the Education Code,~~
19 ~~to read:~~

20
21 ~~CHAPTER 14.27. HIGHER EDUCATION FACILITIES BONDS~~
22

23 ~~67325. In appropriating moneys allocated to the University of~~
24 ~~California, the California State University, and the California~~
25 ~~Community Colleges pursuant to any public education facilities~~
26 ~~bond act that is enacted on or after January 1, 2010, priority for~~
27 ~~funding shall be given to proposals for facilities that will be jointly~~
28 ~~used by two or more of those institutions for the purpose of sharing~~
29 ~~facilities for educational instruction.~~

30 ~~67327. The University of California, the California State~~
31 ~~University, and the California Community Colleges may expend~~
32 ~~moneys appropriated to their respective institutions pursuant to~~
33 ~~any public education facilities bond act that is enacted on or after~~
34 ~~January 1, 2010, for off-site mitigation necessary to facilitate a~~
35 ~~campus expansion project.~~