

AMENDED IN SENATE MAY 6, 2009
AMENDED IN SENATE APRIL 23, 2009

SENATE BILL

No. 271

Introduced by Senator Ducheny
(Principal coauthor: Senator Romero)
(Coauthors: Senators Alquist, Hancock, and Liu)

February 24, 2009

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~~ *November 2, 2010, statewide general* 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~~ *a* total amount of *\$8,630,000,000*, 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: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

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

PART 70. HIGHER EDUCATION FACILITIES BOND ACT
OF 2010

CHAPTER 1. GENERAL PROVISIONS

102000. This part shall be known, and may be cited, as the Higher Education Facilities Bond Act of 2010.

102002. Bonds in the total amount of ~~_____dollars (\$_____)~~ *eight billion six hundred thirty million dollars (\$8,630,000,000)*, 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.

CHAPTER 2. CALIFORNIA COMMUNITY COLLEGE FACILITIES

Article 1. General

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

(b) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create

1 a debt or debts, liability or liabilities, of the State of California
2 pursuant to this chapter for the purpose of providing funds to aid
3 the California Community Colleges.

4
5 Article 2. California Community College Program Provisions
6

7 102020. (a) From the proceeds of bonds issued and sold
8 pursuant to Article 3 (commencing with Section ~~102020~~, 102030),
9 the sum of ~~two billion six hundred million dollars (\$2,600,000,000)~~
10 *four billion one hundred million dollars (\$4,100,000,000)* shall
11 be deposited in the 2010 California Community College Capital
12 Outlay Bond Fund for the purposes of this article. When
13 appropriated, these funds shall be available for expenditure for the
14 purposes of this article.

15 (b) The purposes of this article include assisting in meeting the
16 capital outlay financing needs of the California Community
17 Colleges.

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

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

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

1 Article 3. California Community College Fiscal Provisions

2
3 102030. (a) Of the total amount of bonds authorized to be
4 issued and sold pursuant to Chapter 1 (commencing with Section
5 102000), bonds in the total amount of ~~two billion six hundred~~
6 ~~million dollars (\$2,600,000,000)~~ *four billion one hundred million*
7 *dollars (\$4,100,000,000)*, not including the amount of any
8 refunding bonds issued in accordance with Section 102039, or so
9 much thereof as is necessary, may be issued and sold to provide
10 a fund to be used for carrying out the purposes expressed in this
11 chapter and to reimburse the General Obligation Bond Expense
12 Revolving Fund pursuant to Section 16724.5 of the Government
13 Code. The bonds, when sold, shall be and constitute a valid and
14 binding obligation of the State of California, and the full faith and
15 credit of the State of California is hereby pledged for the punctual
16 payment of the principal of, and interest on, the bonds as the
17 principal and interest become due and payable.

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

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

29 102031. (a) The bonds authorized by this chapter shall be
30 prepared, executed, issued, sold, paid, and redeemed as provided
31 in the State General Obligation Bond Law (Chapter 4 (commencing
32 with Section 16720) of Part 3 of Division 4 of Title 2 of the
33 Government Code), and all of the provisions of that law, except
34 Section 16727 of the Government Code to the extent that it
35 conflicts with this part, apply to the bonds and to this chapter and
36 are hereby incorporated into this chapter as though set forth in full
37 within this chapter.

38 (b) For the purposes of the State General Obligation Bond Law,
39 each state agency administering an appropriation of the 2010

Community College 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 California Community Colleges for the construction on existing or new campuses, and their respective off-campus centers and joint-use and intersegmental facilities, as set forth in this chapter.

102032. 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 are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

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

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

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

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

102035. The board, as defined in subdivision (b) of Section 102031, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section

1 16312 of the Government Code, for the purpose of carrying out
2 this chapter. The amount of the request shall not exceed the amount
3 of the unsold bonds that the committee, by resolution, has
4 authorized to be sold for the purpose of carrying out this chapter.
5 The board, as defined in subdivision (b) of Section 102031, shall
6 execute any documents required by the Pooled Money Investment
7 Board to obtain and repay the loan. Any amounts loaned shall be
8 deposited in the fund to be allocated by the board in accordance
9 with this chapter.

10 102036. Notwithstanding any other provision of this chapter,
11 or of the State General Obligation Bond Law, if the Treasurer sells
12 bonds pursuant to this chapter that include a bond counsel opinion
13 to the effect that the interest on the bonds is excluded from gross
14 income for federal tax purposes, subject to designated conditions,
15 the Treasurer may maintain separate accounts for the investment
16 of bond proceeds and for the investment earnings on those
17 proceeds. The Treasurer may use or direct the use of those proceeds
18 or earnings to pay any rebate, penalty, or other payment required
19 under federal law or take any other action with respect to the
20 investment and use of those bond proceeds required or desirable
21 under federal law to maintain the tax-exempt status of those bonds
22 and to obtain any other advantage under federal law on behalf of
23 the funds of this state.

24 102037. (a) For the purposes of carrying out this chapter, the
25 Director of Finance may authorize the withdrawal from the General
26 Fund of an amount not to exceed the amount of the unsold bonds
27 that have been authorized by the Higher Education Facilities
28 Finance Committee to be sold for the purpose of carrying out this
29 chapter. Any amounts withdrawn shall be deposited in the 2010
30 California Community College Capital Outlay Bond Fund
31 consistent with this chapter. Any money made available under this
32 section shall be returned to the General Fund, plus an amount equal
33 to the interest that the money would have earned in the Pooled
34 Money Investment Account, from proceeds received from the sale
35 of bonds for the purpose of carrying out this chapter.

36 (b) Any request forwarded to the Legislature and the Department
37 of Finance for funds from this bond issue for expenditure for the
38 purposes described in this chapter by the California Community
39 Colleges shall be accompanied by the five-year capital outlay plan
40 that reflects the needs and priorities of the community college

1 system and is prioritized on a statewide basis. Requests shall
2 include a schedule that prioritizes the seismic retrofitting needed
3 to significantly reduce, in the judgment of the particular college,
4 seismic hazards in buildings identified as high priority by the
5 college.

6 102038. All money deposited in the 2010 California
7 Community College Capital Outlay Bond Fund that is derived
8 from premium and accrued interest on bonds sold shall be reserved
9 in the fund and shall be available for transfer to the General Fund
10 as a credit to expenditures for bond interest.

11 102039. The bonds may be refunded in accordance with Article
12 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
13 Division 4 of Title 2 of the Government Code, which is a part of
14 the State General Obligation Bond Law. Approval by the voters
15 of the state for the issuance of the bonds described in this chapter
16 includes the approval of the issuance of any bonds issued to refund
17 any bonds originally issued under this chapter or any previously
18 issued refunding bonds.

19 102040. The Legislature hereby finds and declares that,
20 inasmuch as the proceeds from the sale of bonds authorized by
21 this chapter are not “proceeds of taxes” as that term is used in
22 Article XIII B of the California Constitution, the disbursement of
23 these proceeds is not subject to the limitations imposed by that
24 article.

25 26 CHAPTER 4. UNIVERSITY FACILITIES

27 28 Article 1. General

29
30 102050. (a) The system of public universities in this state
31 includes the University of California, the Hastings College of the
32 Law, and the California State University, and their respective
33 off-campus centers.

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

37 (c) The Higher Education Facilities Finance Committee
38 established pursuant to Section 67353 is hereby authorized to create
39 a debt or debts, liability or liabilities, of the State of California
40 pursuant to this chapter for the purpose of providing funds to aid

1 the University of California, the Hastings College of the Law, and
2 the California State University.

3
4 Article 2. Program Provisions Applicable to the University of
5 California
6

7 102055. (a) From the proceeds of bonds issued and sold
8 pursuant to Article 5 (commencing with Section 102070), the sum
9 of two billion two hundred million dollars (\$2,200,000,000) shall
10 be deposited in the 2010 University Capital Outlay Bond Fund for
11 the purposes of this article. When appropriated, these funds shall
12 be available for expenditure for the purposes of this article.

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

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

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

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

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

Article 3. Program Provisions Applicable to the Hastings
College of the Law

102060. (a) From the proceeds of bonds issued and sold pursuant to Article 5 (commencing with Section ~~102050~~), 102070), the sum of ~~— million dollars (\$—)~~ *thirty million dollars (\$30,000,000)* 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 Hastings College of the Law.

(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, 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 Hastings College of the Law.

(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 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 (\$_____)~~ *four billion four hundred thirty million dollars (\$4,430,000,000)*, 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 are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not

1 necessary that all of the bonds authorized to be issued be sold at
2 any one time.

3 102073. There shall be collected each year and in the same
4 manner and at the same time as other state revenue is collected,
5 in addition to the ordinary revenues of the state, a sum in an amount
6 required to pay the principal of, and interest on, the bonds each
7 year. It is the duty of all officers charged by law with any duty in
8 regard to the collection of the revenue to do and perform each and
9 every act which is necessary to collect that additional sum.

10 102074. Notwithstanding Section 13340 of the Government
11 Code, there is hereby appropriated from the General Fund in the
12 State Treasury, for the purposes of this chapter, an amount that
13 will equal the total of the following:

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

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

19 102075. The board, as defined in subdivision (b) of Section
20 102071, may request that the Pooled Money Investment Board
21 make a loan from the Pooled Money Investment Account or any
22 other approved form of interim financing, in accordance with
23 Section 16312 of the Government Code, for the purpose of carrying
24 out this chapter. The amount of the request shall not exceed the
25 amount of the unsold bonds that the committee, by resolution, has
26 authorized to be sold for the purpose of carrying out this chapter.
27 The board, as defined in subdivision (b) of Section 102071, shall
28 execute any documents required by the Pooled Money Investment
29 Board to obtain and repay the loan. Any amounts loaned shall be
30 deposited in the fund to be allocated by the board in accordance
31 with this chapter.

32 102076. Notwithstanding any other provision of this chapter,
33 or of the State General Obligation Bond Law, if the Treasurer sells
34 bonds pursuant to this chapter that include a bond counsel opinion
35 to the effect that the interest on the bonds is excluded from gross
36 income for federal tax purposes, subject to designated conditions,
37 the Treasurer may maintain separate accounts for the investment
38 of bond proceeds and for the investment earnings on those
39 proceeds. The Treasurer may use or direct the use of those proceeds
40 or earnings to pay any rebate, penalty, or other payment required

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

6 102077. (a) For the purposes of carrying out this chapter, the
7 Director of Finance may authorize the withdrawal from the General
8 Fund of an amount not to exceed the amount of the unsold bonds
9 that have been authorized by the Higher Education Facilities
10 Finance Committee to be sold for the purpose of carrying out this
11 chapter. Any amounts withdrawn shall be deposited in the 2010
12 University Capital Outlay Bond Fund consistent with this chapter.
13 Any money made available under this section shall be returned to
14 the General Fund, plus an amount equal to the interest that the
15 money would have earned in the Pooled Money Investment
16 Account, from proceeds received from the sale of bonds for the
17 purpose of carrying out this chapter.

18 (b) Any request forwarded to the Legislature and the Department
19 of Finance for funds from this bond issue for expenditure for the
20 purposes described in this chapter by the University of California,
21 the Hastings College of the Law, or the California State University
22 shall be accompanied by the five-year capital outlay plan. Requests
23 forwarded by a university or college shall include a schedule that
24 prioritizes the seismic retrofitting needed to significantly reduce,
25 in the judgment of the particular university or college, seismic
26 hazards in buildings identified as high priority by the university
27 or college.

28 102078. All money deposited in the 2010 University Capital
29 Outlay Bond Fund that is derived from premium and accrued
30 interest on bonds sold shall be reserved in the fund and shall be
31 available for transfer to the General Fund as a credit to expenditures
32 for bond interest.

33 102079. The bonds may be refunded in accordance with Article
34 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
35 Division 4 of Title 2 of the Government Code, which is a part of
36 the State General Obligation Bond Law. Approval by the voters
37 of the state for the issuance of the bonds described in this chapter
38 includes the approval of the issuance of any bonds issued to refund
39 any bonds originally issued under this chapter or any previously
40 issued refunding bonds.

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

CHAPTER 5. JOINT-USE FACILITIES

Article 1. General

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

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

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

(b) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the California Community Colleges, the California 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 principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) 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.

102101. (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

1 Section 16727 of the Government Code to the extent that it
2 conflicts with this part, apply to the bonds and to this chapter and
3 are hereby incorporated into this chapter as though set forth in full
4 within this chapter.

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

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

16 102102. The Higher Education Facilities Finance Committee
17 established pursuant to Section 67353 shall authorize the issuance
18 of bonds under this chapter only to the extent necessary to fund
19 the apportionments for the purposes described in this chapter that
20 are expressly authorized by the Legislature in the annual Budget
21 Act. Pursuant to that legislative direction, the committee shall
22 determine whether or not it is necessary or desirable to issue bonds
23 authorized pursuant to this chapter in order to carry out the
24 purposes described in this chapter and, if so, the amount of bonds
25 to be issued and sold. Successive issues of bonds may be authorized
26 and sold to carry out those actions progressively, and it is not
27 necessary that all of the bonds authorized to be issued be sold at
28 any one time.

29 102103. There shall be collected each year and in the same
30 manner and at the same time as other state revenue is collected,
31 in addition to the ordinary revenues of the state, a sum in an amount
32 required to pay the principal of, and interest on, the bonds each
33 year. It is the duty of all officers charged by law with any duty in
34 regard to the collection of the revenue to do and perform each and
35 every act which is necessary to collect that additional sum.

36 102104. Notwithstanding Section 13340 of the Government
37 Code, there is hereby appropriated from the General Fund in the
38 State Treasury, for the purposes of this chapter, an amount that
39 will equal the total of the following:

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

4 (b) The sum necessary to carry out Section 102107, appropriated
5 without regard to fiscal years.

6 102105. The board, as defined in subdivision (b) of Section
7 102101, may request the Pooled Money Investment Board to make
8 a loan from the Pooled Money Investment Account or any other
9 approved form of interim financing, in accordance with Section
10 16312 of the Government Code, for the purpose of carrying out
11 this chapter. The amount of the request shall not exceed the amount
12 of the unsold bonds that the committee, by resolution, has
13 authorized to be sold for the purpose of carrying out this chapter.
14 The board, as defined in subdivision (b) of Section 102101, shall
15 execute any documents required by the Pooled Money Investment
16 Board to obtain and repay the loan. Any amounts loaned shall be
17 deposited in the fund to be allocated by the board in accordance
18 with this chapter.

19 102106. Notwithstanding any other provision of this chapter,
20 or of the State General Obligation Bond Law, if the Treasurer sells
21 bonds pursuant to this chapter that include a bond counsel opinion
22 to the effect that the interest on the bonds is excluded from gross
23 income for federal tax purposes, subject to designated conditions,
24 the Treasurer may maintain separate accounts for the investment
25 of bond proceeds and for the investment earnings on those
26 proceeds. The Treasurer may use or direct the use of those proceeds
27 or earnings to pay any rebate, penalty, or other payment required
28 under federal law or take any other action with respect to the
29 investment and use of those bond proceeds required or desirable
30 under federal law to maintain the tax-exempt status of those bonds
31 and to obtain any other advantage under federal law on behalf of
32 the funds of this state.

33 102107. (a) For the purposes of carrying out this chapter, the
34 Director of Finance may authorize the withdrawal from the General
35 Fund of an amount not to exceed the amount of the unsold bonds
36 that have been authorized by the Higher Education Facilities
37 Finance Committee to be sold for the purpose of carrying out this
38 chapter. Any amounts withdrawn shall be deposited in the 2010
39 Joint-Use Facilities Capital Outlay Bond Fund consistent with this
40 chapter. Any money made available under this section shall be

1 returned to the General Fund, plus an amount equal to the interest
2 that the money would have earned in the Pooled Money Investment
3 Account, from proceeds received from the sale of bonds for the
4 purpose of carrying out this chapter.

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

14 102108. All money deposited in the 2010 Joint-Use Facilities
15 Capital Outlay Bond Fund that is derived from premium and
16 accrued interest on bonds sold shall be reserved in the fund and
17 shall be available for transfer to the General Fund as a credit to
18 expenditures for bond interest.

19 102109. The bonds may be refunded in accordance with Article
20 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
21 Division 4 of Title 2 of the Government Code, which is a part of
22 the State General Obligation Bond Law. Approval by the voters
23 of the state for the issuance of the bonds described in this chapter
24 includes the approval of the issuance of any bonds issued to refund
25 any bonds originally issued under this chapter or any previously
26 issued refunding bonds.

27 102110. The Legislature hereby finds and declares that,
28 inasmuch as the proceeds from the sale of bonds authorized by
29 this chapter are not “proceeds of taxes” as that term is used in
30 Article XIII B of the California Constitution, the disbursement of
31 these proceeds is not subject to the limitations imposed by that
32 article.

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

36 SEC. 3. (a) Section 1 of this act shall be submitted to the voters
37 at the ~~next statewide~~ *November 2, 2010, statewide general* election
38 in accordance with provisions of the Government Code and the
39 Elections Code governing the submission of a statewide measure
40 to the voters.

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

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