

Introduced by Senator SimitianFebruary 22, 2008

An act to add Chapter 12.5 (commencing with Section 20020) to Part 11 of Division 1 of Title 1 of the Education Code, relating to financing a public library construction and renovation program by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California, and by providing for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 1516, as introduced, Simitian. California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2010.

Existing law establishes the California Library Construction and Renovation Bond Act of 1988 and the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000. Existing law authorizes the issuance of bonds, pursuant to the State General Obligation Bond Law, in the amount of \$75,000,000 in the 1988 act and in the amount of \$350,000,000 in the 2000 act, for the purpose of financing library construction and renovation.

This bill would enact the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2010, for submission to the voters at the 2010 statewide primary election. The bill, if approved by the voters, would authorize the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount not to exceed a total of \$4,000,000,000 for the purpose of financing library construction and renovation pursuant to a program administered by the State Librarian.

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

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

1 SECTION 1. Chapter 12.5 (commencing with Section 20020)
2 is added to Part 11 of Division 1 of Title 1 of the Education Code,
3 to read:

4
5 CHAPTER 12.5. CALIFORNIA READING AND LITERACY
6 IMPROVEMENT AND PUBLIC LIBRARY CONSTRUCTION AND
7 RENOVATION BOND ACT OF 2010
8

9 Article 1. General Provisions
10

11 20020. This chapter shall be known and may be cited as the
12 California Reading and Literacy Improvement and Public Library
13 Construction and Renovation Bond Act of 2010.

14 20021. The Legislature finds and declares the following:
15 (a) Reading and literacy skills are fundamental to success in
16 our economy and our society.

17 (b) Public libraries are a vital part of the educational system.
18 They provide resources and services for all residents of California,
19 including preschoolers, out-of-school adults, senior citizens, and
20 people attending schools at all levels.

21 (c) In many cases, libraries serve as a community’s only public
22 point of access to resources for learning and by extension,
23 self-sufficiency.

24 (d) The construction and renovation of public library facilities
25 is necessary to expand access to reading and literacy programs in
26 the state public education system and to expand access to public
27 library services for all residents of California.

28 (e) The need for library facilities continues to grow. A recent
29 needs assessment compiled by the State Library found that there
30 is a need for over four billion dollars (\$4,000,000,000) in public
31 library funding.

32 (f) In March 2000, California voters approved a bond measure
33 of three hundred fifty million dollars (\$350,000,000) for library
34 construction and renovation.

1 (g) Due to the overwhelming response by applicants, the
2 California Public Library Construction and Renovation Board was
3 forced to deny approximately 75 percent of all applications due to
4 lack of additional bond funding.

5 20022. As used in this chapter, the following terms have the
6 following meanings:

7 (a) “Committee” means the California Library Construction and
8 Renovation Finance Committee established pursuant to Section
9 19972 and continued in existence pursuant to Section 20040 for
10 the purposes of this chapter.

11 (b) “Fund” means the California Public Library Construction
12 and Renovation Fund of 2010 established pursuant to Section
13 20024.

14 (c) “Board” means the California Public Library Construction
15 and Renovation Board of 2010 established pursuant to Section
16 20023.

17 20023. (a) The California Public Library Construction and
18 Renovation Board of 2010 is hereby established.

19 (b) The board is comprised of the State Librarian, the Treasurer,
20 the Director of Finance, an Assembly Member appointed by the
21 Speaker of the Assembly, a Senator appointed by the Senate
22 Committee on Rules, and two members appointed by the Governor.

23 (c) Legislative members of the board shall meet with, and
24 participate in, the work of the board to the extent that their
25 participation is not incompatible with their duties as Members of
26 the Legislature. For the purpose of this chapter, Members of the
27 Legislature who are members of the board constitute a joint
28 legislative committee on the subject matter of this chapter.

29
30 Article 2. Program Provisions

31
32 20024. The proceeds of bonds issued and sold pursuant to this
33 chapter shall be deposited in the California Public Library
34 Construction and Renovation Fund of 2010, which is hereby
35 established.

36 20025. All moneys deposited in the fund, except as provided
37 in Section 20049.5, are continuously appropriated to the State
38 Librarian, notwithstanding Section 13340 of the Government Code,
39 and are available for grants to any city, county, city and county,
40 or library district that is authorized at the time of the project

1 application to own and maintain a public library facility for the
2 purposes set forth in Section 20026.

3 20026. The grant funds authorized pursuant to Section 20025
4 and the matching funds provided pursuant to Section 20033 shall
5 be used by the recipient for any of the following purposes:

6 (a) Acquisition or construction of new facilities or additions to
7 existing public library facilities.

8 (b) Acquisition of land necessary for the purposes of subdivision
9 (a).

10 (c) Remodeling or rehabilitation of existing public library
11 facilities or of other facilities for the purpose of their conversion
12 to public library facilities. All remodeling and rehabilitation
13 projects funded with grants authorized pursuant to this chapter
14 shall include any necessary upgrading of electrical and
15 telecommunications systems to accommodate Internet and similar
16 computer technology.

17 (d) Procurement or installation, or both, of furnishings and
18 equipment required to make a facility fully operable if the
19 procurement or installation is part of a construction or remodeling
20 project funded pursuant to this chapter.

21 (e) Payment of fees charged by architects, engineers, and other
22 professionals, whose services are required to plan or execute a
23 project authorized pursuant to this chapter.

24 (f) Service charges if the services in question are required by
25 the applicant jurisdiction to be provided by a public works or
26 similar department, or by other departments providing professional
27 services if the costs are billed directly to the project pursuant to
28 this chapter.

29 20028. Grant funds authorized pursuant to Section 20025, or
30 matching funds provided pursuant to Section 20033, shall not be
31 used by a recipient for any of the following purposes:

32 (a) Books and other library materials.

33 (b) Administrative costs of the project, including, but not limited
34 to, the costs of any of the following:

35 (1) Preparation of the grant application.

36 (2) Procurement of matching funds.

37 (3) Conduct of an election for obtaining voter approval of the
38 project.

39 (c) Except as set forth in this chapter, including, but not limited
40 to, Section 20048, interest or other carrying charges for financing

1 the project, including, but not limited to, costs of loans or
2 lease-purchase agreements in excess of the direct costs of any of
3 the authorized purposes specified in Section 20026.

4 (d) Ongoing operating expenses for the facility, its personnel,
5 supplies or any other library operations.

6 20029. All construction contracts for projects funded in part
7 through grants awarded pursuant to this chapter shall be awarded
8 through competitive bidding pursuant to Part 3 (commencing with
9 Section 20100) of Division 2 of the Public Contract Code.

10 20030. This chapter shall be administered by the State
11 Librarian. The board shall adopt rules, regulations, and policies
12 for the implementation of this chapter.

13 20031. A city, county, city and county, or library district may
14 apply to the State Librarian for a grant pursuant to this chapter as
15 follows:

16 (a) Each application shall be for a project for a purpose
17 authorized by Section 20026.

18 (b) An application shall not be submitted for a project for which
19 construction bids already have been advertised.

20 (c) The applicant shall request not less than five hundred
21 thousand dollars (\$500,000) per project.

22 20032. In making the awards, the board shall consider
23 applications for construction or rehabilitation of public library
24 facilities submitted pursuant to Section 20031 and the funding
25 shall be allocated in the following manner:

26 (a) First priority shall be given to applications designated
27 “Outstanding” and deemed eligible by the State Librarian, that
28 were submitted but not funded in the third application cycle of the
29 California Reading and Literacy Improvement and Public Library
30 Construction and Renovation Bond Act of 2000. The total grant
31 amount awarded by the board for these eligible applications shall
32 not exceed one hundred fifty million dollars (\$150,000,000).

33 (b) Until regulations are adopted pursuant to Section 20030,
34 regulations adopted pursuant to the California Reading and Literacy
35 Improvement and Public Library Construction and Renovation
36 Bond Act of 2000 (Chapter 12 (commencing with Section 19985))
37 govern the administration of this chapter, except that a maximum
38 of thirty million dollars (\$30,000,000) instead of twenty million
39 dollars (\$20,000,000) may be granted through allocations from
40 the fund for the applications from the third cycle of the California

1 Reading and Literacy Improvement and Public Library
2 Construction and Renovation Bond Act of 2000.

3 (c) First priority applicants, as defined in subdivision (a), shall
4 be allowed the opportunity to adjust their original application for
5 cost inflators since the application initially was filed with the State
6 Librarian, but adjustments shall not affect a change in the scope,
7 scale, or quality of the project, nor shall the application exceed the
8 thirty million dollar (\$30,000,000) allocation cap established in
9 Section 20033 for the fund.

10 (d) Funds not awarded for the third application cycle pursuant
11 to the California Reading and Literacy Improvement and Public
12 Library Construction and Renovation Bond Act of 2000, shall be
13 awarded on a competitive basis pursuant to this chapter.

14 (e) Except as set forth in paragraph (2), an amount of at least 5
15 percent of the total bond amount shall be made available for
16 joint-use projects that meet all of the following requirements:

17 (1) The joint-use project is with one or more public education
18 institutions. For the purpose of this section, “public education
19 institution” means any of the following:

20 (A) A school district maintaining any combination of educational
21 settings from kindergarten to grade 12, inclusive.

22 (B) A county office of education.

23 (C) A community college district.

24 (D) A campus of the California State University.

25 (E) A campus of the University of California.

26 (2) The public education institution or institutions participating
27 as a joint-use partner or partners provide at least 50 percent of the
28 35 percent local matching funds required pursuant to subdivision
29 (a) of Section 20033.

30 (3) Consideration may be given to a proposed joint-use project
31 to be located in a low-income area.

32 (4) Consideration may be given to a proposed joint-use project
33 to be located in an area in which public schools have low scores
34 on the Academic Performance Index.

35 (f) If, by June ____, 2014, the total dollar amount of all approved
36 applications for joint-use projects pursuant to this section exceeds
37 the total dollar amount made available for joint-use projects
38 pursuant to subdivision (e), joint-use projects also may be funded
39 from other funds available to the board pursuant to this chapter.

1 (g) If, by June ____, 2014, the total dollar amount of all
2 approved applications for joint-use projects pursuant to this section
3 is less than the total dollar amount made available for joint-use
4 projects pursuant to subdivision (e), remaining funds under
5 subdivision (e) shall be made available for any other grants under
6 this chapter awarded on a competitive basis in the same manner
7 as set forth in subdivision (e).

8 20033. (a) Each grant recipient shall provide matching funds
9 from any available source in an amount equal to 35 percent of the
10 costs of the project. The remaining 65 percent of the costs of the
11 project, up to a maximum of thirty million dollars (\$30,000,000)
12 per project, shall be provided through allocations from the fund.

13 (b) Qualifying matching funds shall be cash expenditures in the
14 categories specified in Section 20026 that are made not earlier
15 than five years prior to the submission of the application to the
16 State Librarian. Except as otherwise provided in subdivision (c),
17 in-kind expenditures do not qualify as matching funds.

18 (c) Land donated or otherwise acquired for use as a site for the
19 facility, including, but not limited to, land purchased more than
20 five years prior to the submission of the application to the State
21 Librarian, may count towards the required 35 percent local fund
22 contribution at its appraised value as of the date of the application.
23 This subdivision does not apply to land acquired with funds
24 authorized pursuant to Part 68 (commencing with Section 100400),
25 Part 68.1 (commencing with Section 100600), or Part 68.2
26 (commencing with Section 100800), of Division 14 of Title 3.

27 (d) Expenditures for payment of architect fees for plans and
28 drawings for library renovation and new construction, including,
29 but not limited to, plans and drawings purchased more than five
30 years prior to the submission of the application to the State
31 Librarian, may count towards the required 35 percent local funds
32 contribution.

33 20034. (a) The estimated costs of a project for which an
34 application is submitted shall be consistent with normal public
35 construction costs in the geographic area of the applicant.

36 (b) An applicant wishing to construct a project having costs that
37 exceed normal public construction costs in the area may apply for
38 a grant in an amount not to exceed 65 percent of the normal costs
39 up to a maximum of thirty million dollars (\$30,000,000) per project

1 if the applicant certifies that it is capable of financing the remainder
2 of the project costs from other sources.

3 20035. (a) After an application is approved by the board and
4 included in the request of the State Librarian to the committee, the
5 amount of the funding to be provided to the applicant shall not be
6 increased. Actual changes in project costs are the responsibility
7 of the applicant. If the amount of funding that is provided is greater
8 than the cost of the project, the applicant shall return that amount
9 of funding that exceeds the cost of the project to the fund. If an
10 applicant is awarded funding by the board, but decides not to
11 proceed with the project, the applicant shall return all of the funding
12 to the fund.

13 (b) If the State Librarian determines that a grant recipient has
14 not complied with the terms of its grant award or its grant award
15 agreement with the State Library, the board may withdraw a grant
16 award and thereafter award the funds previously granted to the
17 recipient to other eligible applicants. The State Librarian shall
18 notify the affected grant recipient at least 90 days prior to a board
19 meeting at which the withdrawal of a grant award will be
20 considered.

21 20036. (a) In reviewing applications, as part of establishing
22 the priorities set forth in Section 20032, the board shall consider
23 all of the following factors:

24 (1) The needs of urban, suburban, and rural areas.

25 (2) The age and condition of existing library facilities within
26 an area.

27 (3) The degree to which existing library facilities are inadequate
28 in meeting the needs of the residents in the library service area.

29 (4) The degree to which the proposed project responds to the
30 needs of the residents in the library service area.

31 (5) The degree to which the library integrates appropriate
32 electronic technologies into the proposed project.

33 (6) The financial commitment of the local agency submitting
34 the application to open, operate, and maintain the proposed library
35 project upon its completion.

36 (b) If, after an application has been submitted, material changes
37 occur that would alter the evaluation of an application, the State
38 Librarian may accept an additional written statement from the
39 applicant for consideration by the board.

1 20037. (a) A facility, or a part of a facility, acquired,
 2 constructed, remodeled, or rehabilitated with grants received
 3 pursuant to this chapter shall be dedicated to public library direct
 4 service use for a period of at least 20 years following completion
 5 of the project.

6 (b) The financial interest that the state may have in the land or
 7 facility, or both, resulting from the funding of a project under this
 8 chapter, as described in subdivision (a), may be transferred by the
 9 State Librarian through an exchange for a replacement site and
 10 facility acquired or constructed for the purpose of providing public
 11 library direct service.

12 (c) If the facility, or a part of the facility, acquired, constructed,
 13 remodeled, or rehabilitated with grants received pursuant to this
 14 chapter ceases to be used for public library direct service before
 15 the expiration of the period specified in subdivision (a), the board
 16 shall be entitled to recover from the grant recipient, or the successor
 17 of the recipient, an amount that bears the same ratio to the value
 18 of the facility, or appropriate part of the value of the facility, at
 19 the time it ceased to be used for public library direct service, as
 20 the amount of the original grant bore to the original cost of the
 21 facility, or appropriate part thereof. For purposes of this
 22 subdivision, the value of the facility, or appropriate part of the
 23 facility, shall be determined by the mutual agreement of the board
 24 and the grant recipient or successor, or through an action brought
 25 for that purpose in the superior court.

26 (d) Notwithstanding subdivision (f) of Section 16724 of the
 27 Government Code, any money recovered pursuant to subdivision
 28 (c) shall be deposited in the fund, and shall be available for the
 29 purpose of awarding grants for other projects.

30
 31 Article 3. Fiscal Provisions

32
 33 20038. Bonds in the total amount not to exceed ____, exclusive
 34 of refunding bonds issued in accordance with Section 20046, or
 35 so much of refunding bonds as is necessary, may be issued and
 36 sold for deposit in the fund to be used in accordance with, and for
 37 carrying out the purposes expressed in, this chapter, including all
 38 acts amendatory of this chapter and supplementary to this chapter,
 39 and to be used to reimburse the General Obligation Bond Expense
 40 Revolving Fund pursuant to Section 16724.5 of the Government

1 Code. The bonds, when sold, shall be and constitute a valid and
2 binding obligation of the State of California, and the full faith and
3 credit of the State of California is hereby pledged for the punctual
4 payment of both principal and interest on bonds as the principal
5 and interest become due and payable.

6 20039. The bonds authorized by this chapter shall be prepared,
7 executed, issued, sold, paid, and redeemed as provided in the State
8 General Obligation Bond Law (Chapter 4 (commencing with
9 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
10 Code), and all of the provisions of that law apply to the bonds and
11 to this chapter and are hereby incorporated in this chapter as though
12 set forth in full in this chapter, except Section 16727 of the
13 Government Code to the extent that it may be inconsistent with
14 this chapter.

15 20040. (a) For purposes of this chapter, the California Library
16 Construction and Renovation Finance Committee established
17 pursuant to Section 19972 is continued in existence and is the
18 “committee” as that term is used in the State General Obligation
19 Bond Law for the purpose of this chapter.

20 (b) For purposes of the State General Obligation Bond Law, the
21 California Public Library Construction and Renovation Board of
22 2010 established pursuant to Section 20023 is designated the board.

23 20041. The committee shall determine whether or not it is
24 necessary or desirable to issue bonds authorized pursuant to this
25 chapter in order to carry out the actions specified in this chapter,
26 including all acts amendatory of this chapter and supplementary
27 to this chapter, and, if so, the amount of bonds to be issued and
28 sold. Successive issues of bonds may be authorized and sold to
29 carry out those actions progressively, and it is not necessary that
30 all of the bonds authorized to be issued be sold at any one time.

31 20042. There shall be collected each year and in the same
32 manner and at the same time as other state revenue is collected,
33 in addition to the ordinary revenues of the state, a sum in an amount
34 required to pay the principal of, and interest on, the bonds each
35 year. It is the duty of all officers charged by law with any duty in
36 regard to the collection of the revenue to do and perform each and
37 every act that is necessary to collect that additional sum.

38 20043. Notwithstanding Section 13340 of the Government
39 Code, there is hereby appropriated from the General Fund in the

1 State Treasury, for the purposes of this chapter, an amount that
2 will equal the total of the following:

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

6 (b) The sum necessary to carry out Section 20044, appropriated
7 without regard to fiscal years.

8 20044. For the purposes of carrying out this chapter, the
9 Director of Finance may authorize the withdrawal from the General
10 Fund of an amount or amounts not to exceed the amount of the
11 unsold bonds that have been authorized to be sold for the purpose
12 of carrying out this chapter. Amounts withdrawn shall be deposited
13 in the fund. Money made available under this section shall be
14 returned to the General Fund, with interest at the rate earned by
15 the money in the Pooled Money Investment Account during the
16 time the money was withdrawn from the General Fund pursuant
17 to this section, from money received from the sale of bonds for
18 the purpose of carrying out this chapter.

19 20045. The board may request the Pooled Money Investment
20 Board to make a loan from the Pooled Money Investment Account
21 or any other approved form of interim financing, in accordance
22 with Section 16312 of the Government Code, for the purposes of
23 carrying out this chapter. The amount of the request shall not
24 exceed the amount of the unsold bonds that the committee, by
25 resolution, has authorized to be sold for the purpose of carrying
26 out this chapter. The board shall execute the documents required
27 by the Pooled Money Investment Board to obtain and repay the
28 loan. Any amounts loaned shall be deposited in the fund to be
29 allocated by the board in accordance with this chapter.

30 20046. Bonds issued and sold pursuant to this chapter may be
31 refunded by the issuance of refunding bonds in accordance with
32 Article 6 (commencing with Section 16780) of Chapter 4 of Part
33 3 of Division 4 of Title 2 of the Government Code. Approval by
34 the electors of the state for the issuance of bonds under this chapter
35 shall include the approval of the issuance of any bonds issued to
36 refund bonds originally issued or previously issued refunding
37 bonds.

38 20047. Notwithstanding any other provision of this chapter,
39 or of the State General Obligation Bond Law, if the Treasurer sells
40 bonds pursuant to this chapter that include a bond counsel opinion

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

12 20048. All money deposited in the fund that is derived from
13 premium and accrued interest on bonds sold pursuant to this chapter
14 shall be reserved in the fund and shall be available for transfer to
15 the General Fund as a credit to expenditures for bond interest.

16 20049. The Legislature hereby finds and declares that,
17 inasmuch as the proceeds from the sale of bonds authorized by
18 this chapter are not “proceeds of taxes” as that term is used in
19 Article XIII B of the California Constitution, the disbursement of
20 these proceeds is not subject to the limitations imposed by that
21 article.

22 20049.5. Amounts deposited in the fund pursuant to this chapter
23 may be appropriated in the annual Budget Act to the State Librarian
24 for the actual amount of office, personnel, and other customary
25 and usual expenses incurred in the direct administration of grant
26 projects pursuant to this chapter, including, but not limited to,
27 expenses incurred by the State Librarian in providing technical
28 assistance to an applicant for a grant under this chapter.

29 SEC. 2. (a) Section 1 of this act shall take effect upon the
30 adoption by the voters of the California Reading and Literacy
31 Improvement and Public Library Construction and Renovation
32 Bond Act of 2010, as set forth in Section 1 of this act.

33 (b) Section 1 of this act shall be submitted to the voters at the
34 2010 statewide primary election in accordance with provisions of
35 the Elections Code and the Government Code governing
36 submission of statewide measures to voters.

37 SEC. 3. (a) Notwithstanding any other law, all ballots of the
38 election shall have printed on the ballot and in a square of the
39 ballot, the words: “California Reading and Literacy Improvement
40 and Public Library Construction and Renovation Bond Act of

1 2010” and in the same square under those words, the following in
2 8-point type: “This act provides for a bond issue in an amount not
3 to exceed a total of _____ to provide funds for the construction
4 and renovation of public library facilities in order to expand access
5 to reading and literacy programs in California’s public education
6 system and to expand access to public library services for all
7 residents of California.” Opposite the square, there shall be left
8 spaces in which the voters may place a cross in the manner required
9 by law to indicate whether they vote for or against the act.

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