

AMENDED IN SENATE JUNE 23, 2010

AMENDED IN ASSEMBLY JANUARY 15, 2010

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 220

**Introduced by Assembly Member Brownley
(Coauthors: Assembly Members Caballero, Solorio, and Torlakson)**

February 4, 2009

An act to amend Sections ~~17071.75, 17072.32, 17074.15, 17074.16, 17074.26, and 17076.10~~ of the Education Code, Section 17070.40 of, and to add Part 70 (commencing with Section 101100) to Division 14 of Title 3 of, the Education Code, relating to public education facilities, 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, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 220, as amended, Brownley. Public education facilities: Kindergarten-University Public Education Facilities Bond Act.

~~(1) The~~

(1) Existing law, the California Constitution, prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an act that (A) authorizes the debt for a single object or work specified in the act, (B) has been passed by a $\frac{2}{3}$ vote of all the members elected to each house of the Legislature, (C) has been submitted to the

people at a statewide general or primary election, and (D) has received a majority of all the votes cast for and against it at that election.

The Leroy F. Greene School Facilities Act of 1998 (Greene Act) requires the State Allocation Board (board) to allocate to applicant school districts; prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

~~Existing law requires the ongoing eligibility of a school district for new construction funding to be determined by making specified calculations, one of which is to add the number of pupils who can be adequately housed in the existing school building capacity of a school district to the number of pupils for whom facilities were provided from any state or local funding source after the existing school building capacity was determined.~~

~~This bill would revise the calculation described above by specifying that the 2nd addend is the number of pupils for whom permanent facilities were provided from any state source or permanent facilities provided entirely from a local funding source after the existing school building capacity was determined.~~

~~(2) Existing law requires that funding for an approved new construction school facilities project be released equal to the amount of the local match when the school district certifies that it has entered into a binding contract for completion of the project. The same certification is required to be made in connection with the release of disbursements for modernization projects. If the school district receives an apportionment, but has not met the criteria to have funds released within a period established by the board, but not to exceed 18 months, the board is required to rescind the apportionment and deny the district's application.~~

~~This bill would require the school district instead to certify that it has entered into a binding contract for professional services or for construction, or both, in order to complete the approved project. The bill would no longer authorize the board to establish a period of less than 18 months within which a school district is allowed to meet the criteria to have funds released and would establish 18 months as that period. The board would be authorized, at its discretion, to extend the 18-month period.~~

~~(3) The bill also would make technical, nonsubstantive changes.~~

This bill would enact the Kindergarten-University Public Education Facilities Bond Act of 2010, to become operative only if approved by

the voters at the November 2, 2010, statewide general election, and would provide for the submission of that act to the voters at that election. The bond act, if approved by the voters, would provide for the issuance of \$6,100,000,000 of the general obligation bonds to provide aid to school districts, county superintendents of schools, and county boards of education, 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.

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

Vote: ~~majority~~^{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. Section 17070.40 of the Education Code is
2 amended to read:

3 17070.40. (a) (1) A fund is hereby established in the State
4 Treasury to be known as the 1998 State School Facilities Fund.
5 All money in the fund, including any money deposited in that fund
6 from any source whatsoever, and notwithstanding Section 13340
7 of the Government Code, is hereby continuously appropriated
8 without regard to fiscal years for expenditure pursuant to this
9 chapter.

10 (2) The board may apportion funds to school districts for the
11 purposes of this chapter from funds transferred to the 1998 State
12 School Facilities Fund from any source.

13 (3) The board may make apportionments in amounts not
14 exceeding those funds on deposit in the 1998 State School Facilities
15 Fund, and any amount of bonds authorized by the committee, but
16 not yet sold by the Treasurer.

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

24 (b) (1) A fund is hereby established in the State Treasury to be
25 known as the 2002 State School Facilities Fund. All money in the

1 fund, including any money deposited in that fund from any source
2 whatsoever, and notwithstanding Section 13340 of the Government
3 Code, is hereby continuously appropriated without regard to fiscal
4 years for expenditure pursuant to this chapter.

5 (2) The board may apportion funds to school districts for the
6 purposes of this chapter from funds transferred to the 2002 State
7 School Facilities Fund from any source.

8 (3) The board may make apportionments in amounts not
9 exceeding those funds on deposit in the 2002 State School Facilities
10 Fund, and any amount of bonds authorized by the committee, but
11 not yet sold by the Treasurer.

12 (4) The board may make disbursements pursuant to any
13 apportionment made from any funds in the 2002 State School
14 Facilities Fund, irrespective of whether there exists at the time of
15 the disbursement an amount in the 2002 State School Facilities
16 Fund sufficient to permit payment in full of all apportionments
17 previously made. However, no disbursement shall be made from
18 any funds required by law to be transferred to the General Fund.

19 (c) (1) A fund is hereby established in the State Treasury to be
20 known as the 2004 State School Facilities Fund. All money in the
21 fund, including any money deposited in that fund from any source
22 whatsoever, and notwithstanding Section 13340 of the Government
23 Code, is hereby continuously appropriated without regard to fiscal
24 years for expenditure pursuant to this chapter.

25 (2) The board may apportion funds to school districts for the
26 purposes of this chapter from funds transferred to the 2004 State
27 School Facilities Fund from any source.

28 (3) The board may make apportionments in amounts not
29 exceeding those funds on deposit in the 2004 State School Facilities
30 Fund, and any amount of bonds authorized by the committee, but
31 not yet sold by the Treasurer.

32 (4) The board may make disbursements pursuant to any
33 apportionment made from any funds in the 2004 State School
34 Facilities Fund, irrespective of whether there exists at the time of
35 the disbursement an amount in the 2004 State School Facilities
36 Fund sufficient to permit payment in full of all apportionments
37 previously made. However, no disbursement shall be made from
38 any funds required by law to be transferred to the General Fund.

39 (d) (1) A fund is hereby established in the State Treasury, to
40 be known as the 2006 State School Facilities Fund. All money in

1 the fund, including any money deposited in that fund from any
2 source whatsoever, and notwithstanding Section 13340 of the
3 Government Code, is hereby continuously appropriated without
4 regard to fiscal years for expenditure pursuant to this chapter.

5 (2) The board may apportion funds to school districts for the
6 purposes of this chapter from funds transferred to the 2006 State
7 School Facilities Fund from any source.

8 (3) The board may make apportionments in amounts not
9 exceeding those funds on deposit in the 2006 State School Facilities
10 Fund, and any amount of bonds authorized by the committee, but
11 not yet sold by the Treasurer.

12 (4) The board may make disbursements pursuant to any
13 apportionment made from any funds in the 2006 State School
14 Facilities Fund, irrespective of whether there exists at the time of
15 the disbursement an amount in the 2006 State School Facilities
16 Fund sufficient to permit payment in full of all apportionments
17 previously made. However, no disbursement shall be made from
18 any funds required by law to be transferred to the General Fund.

19 *(e) (1) A fund is hereby established in the State Treasury, to be
20 known as the 2010 State School Facilities Fund. All money in the
21 fund, including any money deposited in that fund from any source
22 whatsoever, and notwithstanding Section 13340 of the Government
23 Code, is hereby continuously appropriated without regard to fiscal
24 years for expenditure pursuant to this chapter.*

25 *(2) The board may apportion funds to school districts for the
26 purposes of this chapter from funds transferred to the 2010 State
27 School Facilities Fund from any source.*

28 *(3) The board may make apportionments in amounts not
29 exceeding those funds on deposit in the 2010 State School Facilities
30 Fund, and any amount of bonds authorized by the committee, but
31 not yet sold by the Treasurer.*

32 *(4) The board may make disbursements pursuant to any
33 apportionment made from any funds in the 2010 State School
34 Facilities Fund, irrespective of whether there exists at the time of
35 the disbursement an amount in the 2010 State School Facilities
36 Fund sufficient to permit payment in full of all apportionments
37 previously made. However, no disbursement shall be made from
38 any funds required by law to be transferred to the General Fund.*

39 *SEC. 2. Part 70 (commencing with Section 101100) is added
40 to Division 14 of Title 3 of the Education Code, to read:*

1 PART 70. KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION
2 FACILITIES BOND ACT OF 2010

3
4 CHAPTER 1. GENERAL

5
6 101100. This part shall be known and may be cited as the
7 Kindergarten-University Public Education Facilities Bond Act of
8 2010.

9 101101. The incorporation of, or reference to, any provision
10 of California statutory law in this part includes all acts amendatory
11 thereof and supplementary thereto.

12 101102. (a) Bonds in the total amount of six billion one
13 hundred million dollars (\$6,100,000,000), not including the amount
14 of any refunding bonds issued in accordance with Sections 101130,
15 101139, and 101159, or so much thereof as is necessary, may be
16 issued and sold to provide a fund to be used for carrying out the
17 purposes expressed in this part and to reimburse the General
18 Obligation Bond Expense Revolving Fund pursuant to Section
19 16724.5 of the Government Code. The bonds, when sold, shall be
20 and constitute a valid and binding obligation of the State of
21 California, and the full faith and credit of the State of California
22 is hereby pledged for the punctual payment of the principal of,
23 and interest on, the bonds as the principal and interest become
24 due and payable.

25 (b) Pursuant to this section, the Treasurer shall sell the bonds
26 authorized by the State School Building Finance Committee
27 established by Section 15909 or the Higher Education Facilities
28 Finance Committee established pursuant to Section 67353, as the
29 case may be, at any different times necessary to service
30 expenditures required by the apportionments.

31
32 CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE

33
34 Article 1. Kindergarten Through 12th Grade School Facilities
35 Program Provisions

36
37 101110. The proceeds of bonds issued and sold pursuant to
38 Article 2 (commencing with Section 101120) shall be deposited in
39 the 2010 State School Facilities Fund established in the State

1 *Treasury under subdivision (e) of Section 17070.40 and shall be*
2 *allocated by the State Allocation Board pursuant to this chapter.*

3 *101111. All moneys deposited in the 2010 State School*
4 *Facilities Fund for the purposes of this chapter shall be available*
5 *to provide aid to school districts, county superintendents of schools,*
6 *and county boards of education of the state in accordance with*
7 *the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5*
8 *(commencing with Section 17070.10) of Part 10), as set forth in*
9 *Section 101112, to provide funds to repay any money advanced*
10 *or loaned to the 2010 State School Facilities Fund under any act*
11 *of the Legislature, together with interest provided for in that act,*
12 *and to reimburse the General Obligation Bond Expense Revolving*
13 *Fund pursuant to Section 16724.5 of the Government Code.*

14 *101112. (a) The proceeds from the sale of bonds, issued and*
15 *sold for the purposes of this chapter, shall be allocated in*
16 *accordance with the following schedule:*

17 *(1) The amount of two billion five hundred million dollars*
18 *(\$2,500,000,000) to fund new construction of school facilities of*
19 *applicant school districts under Chapter 12.5 (commencing with*
20 *Section 17070.10) of Part 10.*

21 *(2) The amount of two hundred fifty million dollars*
22 *(\$250,000,000) shall be available to fund school facilities for*
23 *charter schools pursuant to Article 12 (commencing with Section*
24 *17078.52) of Chapter 12.5 of Part 10.*

25 *(3) The amount of one billion dollars (\$1,000,000,000) to fund*
26 *the modernization of school facilities pursuant to Chapter 12.5*
27 *(commencing with Section 17070.10) of Part 10.*

28 *(4) The amount of two hundred fifty million dollars*
29 *(\$250,000,000) to fund the purposes set forth in Article 13*
30 *(commencing with Section 17078.70) of Chapter 12.5 of Part 10,*
31 *relating to facilities for career technical education programs.*

32 *(5) The amount of fifty million dollars (\$50,000,000) for the*
33 *purposes set forth in Article 10.6 (commencing with Section*
34 *17077.40) of Chapter 12.5 of Part 10, relating to joint use projects.*

35 *(6) The amount of five hundred million dollars (\$500,000,000)*
36 *to fund incentive grants to promote the use of designs and materials*
37 *in new construction and modernization projects that include the*
38 *attributes of high-performance schools, including, but not limited*
39 *to, the elements set forth in Section 17070.96, pursuant to*
40 *regulations adopted by the State Allocation Board.*

1 (7) *The amount of fifty million dollars (\$50,000,000) for*
2 *preschool facilities to be located on elementary and secondary*
3 *schoolsites. The State Allocation Board shall adopt regulations*
4 *for the apportionment of funding made available for purposes of*
5 *this paragraph.*

6 (b) *School districts may use funds allocated pursuant to*
7 *paragraph (3) of subdivision (a) only for one or more of the*
8 *following purposes in accordance with Chapter 12.5 (commencing*
9 *with Section 17070.10) of Part 10:*

10 (1) *The purchase and installation of air-conditioning equipment*
11 *and insulation materials, and related costs.*

12 (2) *Construction projects or the purchase of furniture or*
13 *equipment designed to increase school security or playground*
14 *safety.*

15 (3) *The identification, assessment, or abatement in school*
16 *facilities of hazardous asbestos.*

17 (4) *Project funding for high-priority roof replacement projects.*

18 (5) *Any other modernization of facilities pursuant to Chapter*
19 *12.5 (commencing with Section 17070.10) of Part 10.*

20 (c) *Funds allocated pursuant to paragraph (1) of subdivision*
21 *(a) may also be utilized to provide new construction grants for*
22 *eligible applicant county boards of education under Chapter 12.5*
23 *(commencing with Section 17070.10) of Part 10 for funding*
24 *classrooms for severely handicapped pupils, or for funding*
25 *classrooms for county community school pupils.*

26 (d) *Funds available pursuant to this section may be used for*
27 *acquisition of school facilities authorized pursuant to Section*
28 *17280.5.*

29 (e) *For purposes of this part, “school district” includes a county*
30 *office of education and a county superintendent of schools.*

31

32 *Article 2. Kindergarten Through 12th Grade School Facilities*
33 *Fiscal Provisions*

34

35 101120. (a) *Of the total amount of bonds authorized to be*
36 *issued and sold pursuant to Chapter 1 (commencing with Section*
37 *101100), bonds in the amount of four billion six hundred million*
38 *dollars (\$4,600,000,000) not including the amount of any refunding*
39 *bonds issued in accordance with Section 101130, or so much*
40 *thereof as is necessary, may be issued and sold to provide a fund*

1 to be used for carrying out the purposes expressed in this chapter
2 and to reimburse the General Obligation Bond Expense Revolving
3 Fund pursuant to Section 16724.5 of the Government Code. The
4 bonds, when sold, shall be and constitute a valid and binding
5 obligation of the State of California, and the full faith and credit
6 of the State of California is hereby pledged for the punctual
7 payment of the principal of, and interest on, the bonds as the
8 principal and interest become due and payable.

9 (b) Pursuant to this section, the Treasurer shall sell the bonds
10 authorized by the State School Building Finance Committee
11 established pursuant to Section 15909 at any different times
12 necessary to service expenditures required by the apportionments.

13 101121. The State School Building Finance Committee,
14 established by Section 15909 and composed of the Governor, the
15 Controller, the Treasurer, the Director of Finance, and the
16 Superintendent, or their designated representatives, all of whom
17 shall serve thereon without compensation, and a majority of whom
18 shall constitute a quorum, is continued in existence for the purpose
19 of this chapter. The Treasurer shall serve as chairperson of the
20 committee. Two Members of the Senate appointed by the Senate
21 Committee on Rules, and two Members of the Assembly appointed
22 by the Speaker of the Assembly, shall meet with and provide advice
23 to the committee to the extent that the advisory participation is not
24 incompatible with their respective positions as Members of the
25 Legislature. For the purposes of this chapter, the Members of the
26 Legislature shall constitute an interim investigating committee on
27 the subject of this chapter and, as that committee, shall have the
28 powers granted to, and duties imposed upon, those committees by
29 the Joint Rules of the Senate and the Assembly. The Director of
30 Finance shall provide assistance to the committee as it may
31 require. The Attorney General of the state is the legal adviser of
32 the committee.

33 101122. (a) The bonds authorized by this chapter shall be
34 prepared, executed, issued, sold, paid, and redeemed as provided
35 in the State General Obligation Bond Law (Chapter 4 (commencing
36 with Section 16720) of Part 3 of Division 4 of Title 2 of the
37 Government Code), and all of the provisions of that law, except
38 Section 16727 of the Government Code to the extent that it conflicts
39 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 purposes of the State General Obligation Bond Law,*
4 *the State Allocation Board is designated the “board” for purposes*
5 *of administering the 2010 State School Facilities Fund.*

6 *101123. (a) Upon request of the State Allocation Board, the*
7 *State School Building Finance Committee shall determine whether*
8 *or not it is necessary or desirable to issue bonds authorized*
9 *pursuant to this chapter in order to fund the apportionments and,*
10 *if so, the amount of bonds to be issued and sold. Successive issues*
11 *of bonds may be authorized and sold to fund those apportionments*
12 *progressively, and it is not necessary that all of the bonds*
13 *authorized to be issued be sold at any one time.*

14 *(b) A request of the State Allocation Board pursuant to*
15 *subdivision (a) shall be supported by a statement of the*
16 *apportionments made and to be made for the purposes described*
17 *in Sections 101111 and 101112.*

18 *101124. There shall be collected each year and in the same*
19 *manner and at the same time as other state revenue is collected,*
20 *in addition to the ordinary revenues of the state, a sum in an*
21 *amount required to pay the principal of, and interest on, the bonds*
22 *each year. It is the duty of all officers charged by law with any*
23 *duty in regard to the collection of the revenue to do and perform*
24 *each and every act that is necessary to collect that additional sum.*

25 *101125. Notwithstanding Section 13340 of the Government*
26 *Code, there is hereby appropriated from the General Fund in the*
27 *State Treasury, for the purposes of this chapter, an amount that*
28 *will equal the total of the following:*

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

32 *(b) The sum necessary to carry out Section 101128, appropriated*
33 *without regard to fiscal years.*

34 *101126. The State Allocation Board may request the Pooled*
35 *Money Investment Board to make a loan from the Pooled Money*
36 *Investment Account or any other approved form of interim*
37 *financing, in accordance with Section 16312 of the Government*
38 *Code, for the purpose of carrying out this chapter. The amount of*
39 *the request shall not exceed the amount of the unsold bonds that*
40 *the committee, by resolution, has authorized to be sold for the*

1 *purpose of carrying out this chapter. The board shall execute any*
2 *documents required by the Pooled Money Investment Board to*
3 *obtain and repay the loan. Any amounts loaned shall be deposited*
4 *in the fund to be allocated by the board in accordance with this*
5 *chapter.*

6 *101127. Notwithstanding any other provision of this chapter,*
7 *or of the State General Obligation Bond Law, if the Treasurer*
8 *sells bonds pursuant to this chapter that include a bond counsel*
9 *opinion to the effect that the interest on the bonds is excluded from*
10 *gross income for federal tax purposes, subject to designated*
11 *conditions, the Treasurer may maintain separate accounts for the*
12 *investment of bond proceeds and for the investment earnings on*
13 *those proceeds. The Treasurer may use or direct the use of those*
14 *proceeds or earnings to pay any rebate, penalty, or other payment*
15 *required under federal law or take any other action with respect*
16 *to the investment and use of those bond proceeds required or*
17 *desirable under federal law to maintain the tax-exempt status of*
18 *those bonds and to obtain any other advantage under federal law*
19 *on behalf of the funds of this state.*

20 *101128. For the purposes of carrying out this chapter, the*
21 *Director of Finance may authorize the withdrawal from the*
22 *General Fund of an amount not to exceed the amount of the unsold*
23 *bonds that have been authorized by the State School Building*
24 *Finance Committee to be sold for the purpose of carrying out this*
25 *chapter. Any amounts withdrawn shall be deposited in the 2010*
26 *State School Facilities Fund consistent with this chapter. Any*
27 *money made available under this section shall be returned to the*
28 *General Fund, plus an amount equal to the interest that the money*
29 *would have earned in the Pooled Money Investment Account, from*
30 *proceeds received from the sale of bonds for the purpose of*
31 *carrying out this chapter.*

32 *101129. All money deposited in the 2010 State School Facilities*
33 *Fund, that is derived from premium and accrued interest on bonds*
34 *sold shall be reserved in the fund and shall be available for transfer*
35 *to the General Fund as a credit to expenditures for bond interest.*

36 *101130. The bonds may be refunded in accordance with Article*
37 *6 (commencing with Section 16780) of Chapter 4 of Part 3 of*
38 *Division 4 of Title 2 of the Government Code, which is a part of*
39 *the State General Obligation Bond Law. Approval by the voters*
40 *of the state for the issuance of the bonds described in this chapter*

1 includes the approval of the issuance of any bonds issued to refund
 2 any bonds originally issued under this chapter or any previously
 3 issued refunding bonds.

4 101131. The Legislature hereby finds and declares that,
 5 inasmuch as the proceeds from the sale of bonds authorized by
 6 this chapter are not “proceeds of taxes” as that term is used in
 7 Article XIII B of the California Constitution, the disbursement of
 8 these proceeds is not subject to the limitations imposed by that
 9 article.

10

11 *CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES*

12

13 *Article 1. General*

14

15 101132. (a) The 2010 California Community College Capital
 16 Outlay Bond Fund is hereby established in the State Treasury for
 17 deposit of funds from the proceeds of bonds issued and sold for
 18 the purposes of this chapter.

19 (b) The Higher Education Facilities Finance Committee
 20 established pursuant to Section 67353 is hereby authorized to
 21 create a debt or debts, liability or liabilities, of the State of
 22 California pursuant to this chapter for the purpose of providing
 23 funds to aid the California Community Colleges.

24

25 *Article 2. California Community College Program Provisions*

26

27 101133. (a) From the proceeds of bonds issued and sold
 28 pursuant to Article 3 (commencing with Section 101134), the sum
 29 of eight hundred million dollars (\$800,000,000) shall be deposited
 30 in the 2010 California Community College Capital Outlay Bond
 31 Fund for the purposes of this article. When appropriated, these
 32 funds shall be available for expenditure for the purposes of this
 33 article.

34 (b) The purposes of this article include assisting in meeting the
 35 capital outlay financing needs of the California Community
 36 Colleges.

37 (c) Proceeds from the sale of bonds issued and sold for the
 38 purposes of this article may be used to fund construction on
 39 existing campuses, including the construction of buildings and the
 40 acquisition of related fixtures, construction of facilities that may

1 *be used by more than one segment of public higher education*
2 *(intersegmental), the renovation and reconstruction of facilities,*
3 *site acquisition, the equipping of new, renovated, or reconstructed*
4 *facilities, which equipment shall have an average useful life of 10*
5 *years; and to provide funds for the payment of preconstruction*
6 *costs, including, but not limited to, preliminary plans and working*
7 *drawings for facilities of the California Community Colleges.*

8
9 *Article 3. California Community College Fiscal Provisions*

10
11 *101134. (a) Of the total amount of bonds authorized to be*
12 *issued and sold pursuant to Chapter 1 (commencing with Section*
13 *101100), bonds in the total amount of eight hundred million dollars*
14 *(\$800,000,000), not including the amount of any refunding bonds*
15 *issued in accordance with Section 101139, or so much thereof as*
16 *is necessary, may be issued and sold to provide a fund to be used*
17 *for carrying out the purposes expressed in this chapter and to*
18 *reimburse the General Obligation Bond Expense Revolving Fund*
19 *pursuant to Section 16724.5 of the Government Code. The bonds,*
20 *when sold, shall be and constitute a valid and binding obligation*
21 *of the State of California, and the full faith and credit of the State*
22 *of California is hereby pledged for the punctual payment of the*
23 *principal of, and interest on, the bonds as the principal and interest*
24 *become due and payable.*

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

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

36 *101134.5. (a) The bonds authorized by this chapter shall be*
37 *prepared, executed, issued, sold, paid, and redeemed as provided*
38 *in the State General Obligation Bond Law (Chapter 4 (commencing*
39 *with Section 16720) of Part 3 of Division 4 of Title 2 of the*
40 *Government Code), and all of the provisions of that law, except*

1 *Section 16727 of the Government Code to the extent that it conflicts*
2 *with this part, apply to the bonds and to this chapter and are hereby*
3 *incorporated into this chapter as though set forth in full within*
4 *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 *Community College Capital Outlay Bond Fund is designated as*
8 *the “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 for the construction on existing*
12 *or new campuses, and their respective off-campus centers and*
13 *joint use and intersegmental facilities, as set forth in this chapter.*

14 *101135. The Higher Education Facilities Finance Committee*
15 *established pursuant to Section 67353 shall authorize the issuance*
16 *of bonds under this chapter only to the extent necessary to fund*
17 *the apportionments for the purposes described in this chapter that*
18 *are expressly authorized by the Legislature in the annual Budget*
19 *Act. Pursuant to that legislative direction, the committee shall*
20 *determine whether or not it is necessary or desirable to issue bonds*
21 *authorized pursuant to this chapter in order to carry out the*
22 *purposes described in this chapter and, if so, the amount of bonds*
23 *to be issued and sold. Successive issues of bonds may be authorized*
24 *and sold to carry out those actions progressively, and it is not*
25 *necessary that all of the bonds authorized to be issued be sold at*
26 *any one time.*

27 *101135.5. There shall be collected each year and in the same*
28 *manner and at the same time as other state revenue is collected,*
29 *in addition to the ordinary revenues of the state, a sum in an*
30 *amount required to pay the principal of, and interest on, the bonds*
31 *each year. It is the duty of all officers charged by law with any*
32 *duty in regard to the collection of the revenue to do and perform*
33 *each and every act which is necessary to collect that additional*
34 *sum.*

35 *101136. Notwithstanding Section 13340 of the Government*
36 *Code, there is hereby appropriated from the General Fund in the*
37 *State Treasury, for the purposes of this chapter, an amount that*
38 *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 101137.5,*
5 *appropriated without regard to fiscal years.*

6 101136.5. *The board, as defined in subdivision (b) of Section*
7 *101134.5, may request the Pooled Money Investment Board to*
8 *make a loan from the Pooled Money Investment Account or any*
9 *other approved form of interim financing, in accordance with*
10 *Section 16312 of the Government Code, for the purpose of carrying*
11 *out this chapter. The amount of the request shall not exceed the*
12 *amount 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 101134.5, 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 101137. *Notwithstanding any other provision of this chapter,*
20 *or of the State General Obligation Bond Law, if the Treasurer*
21 *sells bonds pursuant to this chapter that include a bond counsel*
22 *opinion to the effect that the interest on the bonds is excluded from*
23 *gross income for federal tax purposes, subject to designated*
24 *conditions, the Treasurer may maintain separate accounts for the*
25 *investment of bond proceeds and for the investment earnings on*
26 *those proceeds. The Treasurer may use or direct the use of those*
27 *proceeds or earnings to pay any rebate, penalty, or other payment*
28 *required under federal law or take any other action with respect*
29 *to the investment and use of those bond proceeds required or*
30 *desirable under federal law to maintain the tax-exempt status of*
31 *those bonds and to obtain any other advantage under federal law*
32 *on behalf of the funds of this state.*

33 101137.5. (a) *For the purposes of carrying out this chapter,*
34 *the Director of Finance may authorize the withdrawal from the*
35 *General Fund of an amount not to exceed the amount of the unsold*
36 *bonds 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 *California Community College Capital Outlay Bond Fund*
40 *consistent with this chapter. Any money made available under this*

1 section shall be returned to the General Fund, plus an amount
 2 equal to the interest that the money would have earned in the
 3 Pooled Money Investment Account, from proceeds received from
 4 the sale of bonds for the 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 by the California Community
 8 Colleges shall be accompanied by the five-year capital outlay plan
 9 that reflects the needs and priorities of the community college
 10 system and is prioritized on a statewide basis. Requests shall
 11 include a schedule that prioritizes the seismic retrofitting needed
 12 to significantly reduce, in the judgment of the particular college,
 13 seismic hazards in buildings identified as high priority by the
 14 college.

15 101138. All money deposited in the 2010 California Community
 16 College Capital Outlay Bond Fund that is derived from premium
 17 and accrued interest on bonds sold shall be reserved in the fund
 18 and shall be available for transfer to the General Fund as a credit
 19 to expenditures for bond interest.

20 101139. The bonds may be refunded in accordance with Article
 21 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
 22 Division 4 of Title 2 of the Government Code, which is a part of
 23 the State General Obligation Bond Law. Approval by the voters
 24 of the state for the issuance of the bonds described in this chapter
 25 includes the approval of the issuance of any bonds issued to refund
 26 any bonds originally issued under this chapter or any previously
 27 issued refunding bonds.

28 101139.5. The Legislature hereby finds and declares that,
 29 inasmuch as the proceeds from the sale of bonds authorized by
 30 this chapter are not “proceeds of taxes” as that term is used in
 31 Article XIII B of the California Constitution, the disbursement of
 32 these proceeds is not subject to the limitations imposed by that
 33 article.

34

35 CHAPTER 4. UNIVERSITY FACILITIES

36

37 Article 1. General

38

39 101140. (a) The system of public universities in this state
 40 includes the University of California, the Hastings College of the

1 *Law, and the California State University, and their respective*
2 *off-campus centers.*

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

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

12
13 *Article 2. Program Provisions Applicable to the University of*
14 *California and the Hastings College of the Law*

15
16 *101141. (a) From the proceeds of bonds issued and sold*
17 *pursuant to Article 4 (commencing with Section 101150), the sum*
18 *of three hundred fifty million dollars (\$350,000,000) shall be*
19 *deposited in the 2010 University Capital Outlay Bond Fund for*
20 *the purposes of this article. When appropriated, these funds shall*
21 *be available for expenditure for the purposes of this article.*

22 *(b) The purposes of this article include assisting in meeting the*
23 *capital outlay financing needs of the University of California and*
24 *the Hastings College of the Law.*

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

1 Article 3. *Program Provisions Applicable to the California*
2 *State University*

3
4 101142. (a) *From the proceeds of bonds issued and sold*
5 *pursuant to Article 4 (commencing with Section 101150), the sum*
6 *of three hundred fifty million dollars (\$350,000,000) shall be*
7 *deposited in the 2010 University Capital Outlay Bond Fund for*
8 *the purposes of this article. When appropriated, these funds shall*
9 *be available for expenditure for the purposes of this article.*

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

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

23
24 Article 4. *University Fiscal Provisions*

25
26 101150. (a) *Of the total amount of bonds authorized to be*
27 *issued and sold pursuant to Chapter 1 (commencing with Section*
28 *101100), bonds in the amount of seven hundred million dollars*
29 *(\$700,000,000), not including the amount of any refunding bonds*
30 *issued in accordance with Section 101159, or so much thereof as*
31 *is necessary, may be issued and sold to provide a fund to be used*
32 *for carrying out the purposes expressed in this chapter and to*
33 *reimburse the General Obligation Bond Expense Revolving Fund*
34 *pursuant to Section 16724.5 of the Government Code. The bonds,*
35 *when sold, shall be and constitute a valid and binding obligation*
36 *of the State of California, and the full faith and credit of the State*
37 *of California is hereby pledged for the punctual payment of the*
38 *principal of, and interest on, the bonds as the principal and interest*
39 *become due and payable.*

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

5 101151. (a) The bonds authorized by this chapter shall be
6 prepared, executed, issued, sold, paid, and redeemed as provided
7 in the State General Obligation Bond Law (Chapter 4 (commencing
8 with Section 16720) of Part 3 of Division 4 of Title 2 of the
9 Government Code), and all of the provisions of that law, except
10 Section 16727 of the Government Code to the extent that it conflicts
11 with this part, apply to the bonds and to this chapter and are hereby
12 incorporated into this chapter as though set forth in full within
13 this chapter.

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

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

24 101152. The Higher Education Facilities Finance Committee
25 established pursuant to Section 67353 shall authorize the issuance
26 of bonds under this chapter only to the extent necessary to fund
27 the apportionments for the purposes described in this chapter that
28 are expressly authorized by the Legislature in the annual Budget
29 Act. Pursuant to that legislative direction, the committee shall
30 determine whether or not it is necessary or desirable to issue bonds
31 authorized pursuant to this chapter in order to carry out the
32 purposes described in this chapter and, if so, the amount of bonds
33 to be issued and sold. Successive issues of bonds may be authorized
34 and sold to carry out those actions progressively, and it is not
35 necessary that all of the bonds authorized to be issued be sold at
36 any one time.

37 101153. There shall be collected each year and in the same
38 manner and at the same time as other state revenue is collected,
39 in addition to the ordinary revenues of the state, a sum in an
40 amount required to pay the principal of, and interest on, the bonds

1 *each year. It is the duty of all officers charged by law with any*
2 *duty in regard to the collection of the revenue to do and perform*
3 *each and every act which is necessary to collect that additional*
4 *sum.*

5 *101154. Notwithstanding Section 13340 of the Government*
6 *Code, there is hereby appropriated from the General Fund in the*
7 *State Treasury, for the purposes of this chapter, an amount that*
8 *will equal the total of the following:*

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

12 *(b) The sum necessary to carry out Section 101157, appropriated*
13 *without regard to fiscal years.*

14 *101155. The board, as defined in subdivision (b) of Section*
15 *101151, may request the Pooled Money Investment Board to make*
16 *a loan from the Pooled Money Investment Account or any other*
17 *approved form of interim financing, in accordance with Section*
18 *16312 of the Government Code, for the purpose of carrying out*
19 *this chapter. The amount of the request shall not exceed the amount*
20 *of the unsold bonds that the committee, by resolution, has*
21 *authorized to be sold for the purpose of carrying out this chapter.*
22 *The board, as defined in subdivision (b) of Section 101151, shall*
23 *execute any documents required by the Pooled Money Investment*
24 *Board to obtain and repay the loan. Any amounts loaned shall be*
25 *deposited in the fund to be allocated by the board in accordance*
26 *with this chapter.*

27 *101156. Notwithstanding any other provision of this chapter,*
28 *or of the State General Obligation Bond Law, if the Treasurer*
29 *sells bonds pursuant to this chapter that include a bond counsel*
30 *opinion to the effect that the interest on the bonds is excluded from*
31 *gross income for federal tax purposes, subject to designated*
32 *conditions, the Treasurer may maintain separate accounts for the*
33 *investment of bond proceeds and for the investment earnings on*
34 *those proceeds. The Treasurer may use or direct the use of those*
35 *proceeds or earnings to pay any rebate, penalty, or other payment*
36 *required under federal law or take any other action with respect*
37 *to the investment and use of those bond proceeds required or*
38 *desirable under federal law to maintain the tax-exempt status of*
39 *those bonds and to obtain any other advantage under federal law*
40 *on behalf of the funds of this state.*

1 101157. (a) For the purposes of carrying out this chapter, the
2 Director of Finance may authorize the withdrawal from the
3 General Fund of an amount not to exceed the amount of the unsold
4 bonds that have been authorized by the Higher Education Facilities
5 Finance Committee to be sold for the purpose of carrying out this
6 chapter. Any amounts withdrawn shall be deposited in the 2010
7 University Capital Outlay Bond Fund consistent with this chapter.
8 Any money made available under this section shall be returned to
9 the General Fund, plus an amount equal to the interest that the
10 money would have earned in the Pooled Money Investment
11 Account, from proceeds received from the sale of bonds for the
12 purpose of carrying out this chapter.

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

23 101158. All money deposited in the 2010 University Capital
24 Outlay Bond Fund that is derived from premium and accrued
25 interest on bonds sold shall be reserved in the fund and shall be
26 available for transfer to the General Fund as a credit to
27 expenditures for bond interest.

28 101159. The bonds may be refunded in accordance with Article
29 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
30 Division 4 of Title 2 of the Government Code, which is a part of
31 the State General Obligation Bond Law. Approval by the voters
32 of the state for the issuance of the bonds described in this chapter
33 includes the approval of the issuance of any bonds issued to refund
34 any bonds originally issued under this chapter or any previously
35 issued refunding bonds.

36 101160. The Legislature hereby finds and declares that,
37 inasmuch as the proceeds from the sale of bonds authorized by
38 this chapter are not “proceeds of taxes” as that term is used in
39 Article XIII B of the California Constitution, the disbursement of

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

3 *SEC. 3. Section 2 of this act shall take effect only upon the*
4 *approval by the voters of the Kindergarten-University Public*
5 *Education Facilities Bond Act of 2010, as set forth in that section.*

6 *SEC. 4. Notwithstanding Section 9040 of the Elections Code,*
7 *the Secretary of State shall submit Section 2 of this act to the voters*
8 *at the November 2, 2010, statewide general election in accordance*
9 *with provisions of the Government Code and the Elections Code*
10 *governing the submission of a statewide measure to the voters.*

11 *SEC. 5. (a) Notwithstanding the requirements of Sections 9040,*
12 *9043, 9044, 9061, and 9082 of the Elections Code or any other*
13 *provision of law, the Secretary of State shall submit Section 2 of*
14 *this act to the voters at the November 2, 2010, statewide general*
15 *election.*

16 *(b) Notwithstanding Section 13115 of the Elections Code,*
17 *Section 2 of this act and any other measure placed on the ballot*
18 *by the Legislature for the November 2, 2010, statewide general*
19 *election after the 131-day deadline set forth in Section 9040 of the*
20 *Elections Code shall be placed on the ballot, following all other*
21 *ballot measures, in the order in which they qualified as determined*
22 *by chapter number.*

23 *SEC. 6. Where voting in the election is done by means of voting*
24 *machines used pursuant to law in a manner that carries out the*
25 *intent of Section 7 of this act, the use of the voting machines and*
26 *the expression of the voters' choice by means thereof are in*
27 *compliance with Section 7 of this act.*

28 *SEC. 7. Notwithstanding any other provision of law, all ballots*
29 *of the November 2, 2010, statewide general election, shall have*
30 *printed thereon and in a square thereof, exclusively the words:*
31 *“Kindergarten-University Public Education Facilities Bond Act*
32 *of 2010” and in the same square under those words, the following*
33 *in 8-point type:*

34
35 *“This six billion one hundred million dollar (\$6,100,000,000)*
36 *bond issue will provide funding for education facilities to relieve*
37 *overcrowding and to repair older schools. Funds will also be used*
38 *to upgrade and build new classrooms in the California Community*
39 *Colleges, the California State University, the Hastings College of*
40 *the Law, and the University of California, to provide higher*

1 education facilities to accommodate the growing student
2 enrollment.”

3
4 *Opposite the square, there shall be left spaces in which the voters
5 may place a cross in the manner required by law to indicate
6 whether they vote for or against the act.*

7 *SEC. 8. Notwithstanding Sections 13247 and 13281 of the
8 Elections Code, the language in Section 7 shall be the only
9 language included in the ballot label for the condensed statement
10 of the ballot title, and the Attorney General shall not supplement,
11 subtract from, or revise that language, except that the Attorney
12 General may include the financial impact summary prepared
13 pursuant to Section 9087 of the Elections Code and Section 88003
14 of the Government Code. The ballot label is the condensed
15 statement of the ballot title and the financial impact summary.*

16 *SEC. 9. This act is an urgency statute necessary for the
17 immediate preservation of the public peace, health, or safety within
18 the meaning of Article IV of the Constitution and shall go into
19 immediate effect. The facts constituting the necessity are:*

20 *In order for this measure to be placed on the ballot for approval
21 by the voters at the November 2, 2010, statewide general election,
22 so that necessary funds for the construction and modernization of
23 public education facilities are available as soon as possible, it is
24 necessary that this act take effect immediately.*

25
26
27 **All matter omitted in this version of the bill
28 appears in the bill as amended in the
29 Assembly, January 15, 2010. (JR11)**
30