

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 148

Introduced by Assembly Member Holden
(Principal coauthor: Assembly Member Gray)

January 15, 2015

An act to amend Sections 17070.15, 17070.40, 17070.75, 17072.35, 17074.25, 17074.26, 17592.70, and 101012 of, to add Sections 17071.15, 17072.40, and 17073.16 to, to add Part 70 (commencing with Section 101100) to Division 14 of Title 3 of, to add and repeal Section 17254 of, and to repeal Sections 17070.99, 17071.33, 17071.35, and 17071.40 of, the Education Code, relating to school ~~facilities~~; 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

AB 148, as amended, Holden. School facilities: ~~general obligation bond measure~~. K–14 School Investment Bond Act of 2016.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation 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.

This bill would revise the definition of modernization under the act to include the replacement of facilities on a site containing a permanent structure that is at least 25 years old or, in the case of a portable classroom, that is at least 20 years old, as specified.

The bill would reduce the minimum amount that an applicant school district under the act must set aside for ongoing and major maintenance of school buildings from 3% to 2% of the total general fund expenditures of that district in a fiscal year.

The bill would delete a provision requiring the State Allocation Board to conduct an evaluation of the cost of new construction and modernization of small high schools in conjunction with a specified pilot program.

The bill would require each school district that elects to participate in a new construction or modernization program to reestablish eligibility, as specified, and to conduct an inventory of existing facilities for purposes of maintaining a statewide school facilities inventory.

The bill would authorize a grant for new construction or modernization under the act to be used for seismic mitigation purposes and for related design, study, and testing costs, and require the State Allocation Board, in the development of guidelines and regulations, to provide a school district with maximum flexibility in the design, modernization, and new construction of school facilities.

The bill would require the Office of Public School Construction to recommend regulations to the State Allocation Board to provide school districts with flexibility in designing instructional facilities.

The bill would require the State Department of Education, the Division of the State Architect, the Office of Public School Construction, and the Department of Toxic Substances Control to convene for purposes of developing an interagency plan to streamline the school facilities construction application, review, and audit processes in order to reduce the time and improve the efficiency of the school facilities construction process. The bill would require that this interagency plan be submitted to the Legislature on or before July 1, 2017.

Existing

(2) 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 ~~(1) (A)~~ authorizes the debt for a single object or work specified in the act, ~~(2) (B)~~ has been passed by a $\frac{2}{3}$ vote of all the members elected to each house of the Legislature, ~~(3) (C)~~ has been submitted to the people at a statewide general or primary election, and ~~(4) (D)~~ has received a majority of all the votes cast for and against it at that election.

~~This bill would express the intent of the Legislature to enact legislation to submit a general obligation bond measure to the voters during the~~

2016 calendar year to fund the modernization and construction of school facilities:

The existing Kindergarten-University Public Education Facilities Bond Act of 2006, among other things, authorized the issuance and sale of bonds in the total amount of \$10,416,000,000. The 2006 bond act specified that \$1,900,000,000 of that total amount was for allocation for new construction of school facilities of applicant school districts, and the 2006 bond act also specified that up to 10.5% of that amount was available for purposes of seismic repair, reconstruction, or replacement.

This bill would enact the K–14 School Investment Bond Act of 2016 to authorize an unspecified amount of state general obligation bonds, as scheduled, to provide aid to school districts, county superintendents of schools, county boards of education, charter schools, and the California Community Colleges to construct and modernize education facilities. The proceeds of these bonds would be deposited in the 2016 State School Facilities Fund, and the 2016 California Community College Capital Outlay Bond Fund, which the bill would establish as specified.

The bill would amend a provision of the Kindergarten-University Public Education Facilities Bond Act of 2006 to require the unencumbered balance of the amount available for purposes of seismic repair, reconstruction, or replacement to be transferred to the 2016 State School Facilities Fund for allocation under the K–14 School Investment Bond Act of 2016, as specified.

The proposed 2016 bond act, and the proposed amendment to the 2006 bond act, would become operative only if approved by the voters at an unspecified 2016 statewide election. The bill would provide for the submission of these provisions to the voters at that election.

(3) This bill would specify that certain of its provisions would become operative only if the K–14 School Investment Bond Act of 2016 is approved by the voters at an unspecified 2016 statewide election.

(4) This bill would make conforming and nonsubstantive changes in related provisions of existing law.

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

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

1 *SECTION 1. (a) The Legislature finds and declares all of the*
 2 *following:*
 3 *(1) The State Department of Education has estimated that 71*
 4 *percent of the classrooms in California are more than 25 years*
 5 *old, about 30 percent of the classrooms are at least 50 years old,*
 6 *and about 10 percent of the classrooms are at least 70 years old.*
 7 *About 25 percent of the classrooms are in temporary portable*
 8 *buildings.*
 9 *(2) The State of California has failed to adequately invest in*
 10 *school facilities, resulting in an unmet, and growing, funding need*
 11 *that, as of March 2015, is at least \$1.1 billion.*
 12 *(3) In a study conducted by the University of California,*
 13 *Berkeley, in 2012, it was estimated that California schools needed*
 14 *an infusion of approximately \$117 billion through 2022, with close*
 15 *to one-half of that funding needed to replace or repair existing*
 16 *buildings.*
 17 *(4) A growing body of research on school building conditions*
 18 *and pupil outcomes finds a consistent relationship between poor*
 19 *facilities and poor performance by pupils. School facilities that*
 20 *are clean, in good repair, and designed to support high academic*
 21 *standards are more likely to support higher pupil achievement,*
 22 *regardless of pupil socioeconomic status.*
 23 *(5) Studies show that 13,000 jobs are created for each \$1 billion*
 24 *of state infrastructure investment. These investments are needed*
 25 *to improve learning conditions for our pupils and improve teaching*
 26 *conditions in our classrooms.*
 27 *(6) Closing the disparity gap in school building quality is an*
 28 *integral part of closing the achievement gap.*
 29 *(b) Therefore, it is the intent of the Legislature to place the K–14*
 30 *School Investment Bond Act of 2016 on the ballot. The voters’*
 31 *approval of this proposed measure would prioritize investment*
 32 *partnerships with local school districts to upgrade aging facilities*
 33 *to meet current health and safety standards, including retrofitting*
 34 *for earthquake safety and removing of lead paint, asbestos, and*
 35 *other hazardous materials, and to reduce overcrowding.*
 36 *SEC. 2. Section 17070.15 of the Education Code is amended*
 37 *to read:*

1 17070.15. The following terms, wherever used or referred to
2 in this chapter, shall have the following meanings, respectively,
3 unless a different meaning appears from the context:

4 (a) "Apportionment" means a reservation of funds for the
5 purpose of eligible new construction, modernization, or hardship
6 approved by the board for an applicant school district.

7 (b) "Attendance area" means the geographical area serving an
8 existing high school and those junior high schools and elementary
9 schools included therein.

10 (c) "Board" means the State Allocation Board as established by
11 Section 15490 of the Government Code.

12 (d) "Committee" means the State School Building Finance
13 Committee established pursuant to Section 15909.

14 (e) "County fund" means a county school facilities fund
15 established pursuant to Section 17070.43.

16 (f) "Department" means the Department of General Services.

17 (g) "Fund" means the applicable 1998 State School Facilities
18 Fund, the 2002 State School Facilities Fund, ~~or~~ the 2004 State
19 School Facilities Fund, *the 2006 State School Facilities Fund, or*
20 *the 2016 State School Facilities Fund*, established pursuant to
21 Section 17070.40.

22 (h) "Good repair" has the same meaning as specified in
23 subdivision (d) of Section 17002.

24 (i) "Modernization" means any modification *or replacement* of
25 a permanent structure that is at least 25 years old, ~~or~~ *or*, in the case
26 of a portable classroom, that is at least 20 years old, that will
27 enhance the ability of the structure to achieve educational purposes.

28 (j) "Portable classroom" means a classroom building of one or
29 more stories that is designed and constructed to be relocatable and
30 transportable over public streets, and with respect to a single story
31 portable classroom, is designed and constructed for relocation
32 without the separation of the roof or floor from the building and
33 when measured at the most exterior walls, has a floor area not in
34 excess of 2,000 square feet.

35 (k) "Property" includes all property, real, personal or mixed,
36 tangible or intangible, or any interest therein necessary or desirable
37 for carrying out the purposes of this chapter.

38 (l) "School building capacity" means the capacity of a school
39 building to house pupils.

1 (m) “School district” means a school district or a county office
2 of education. For purposes of determining eligibility under this
3 chapter, “school district” may also mean a high school attendance
4 area.

5 *SEC. 3. Section 17070.40 of the Education Code is amended*
6 *to read:*

7 17070.40. (a) (1) A fund is hereby established in the State
8 ~~Treasury~~ *Treasury*, to be known as the 1998 State School Facilities
9 Fund. All money in the fund, including any money deposited in
10 that fund from any source whatsoever, and notwithstanding Section
11 13340 of the Government Code, is hereby continuously
12 appropriated without regard to fiscal years for expenditure pursuant
13 to this chapter.

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

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

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

28 (b) (1) A fund is hereby established in the State ~~Treasury~~
29 *Treasury*, to be known as the 2002 State School Facilities Fund.
30 All money in the fund, including any money deposited in that fund
31 from any source whatsoever, and notwithstanding Section 13340
32 of the Government Code, is hereby continuously appropriated
33 without regard to fiscal years for expenditure pursuant to this
34 chapter.

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

38 (3) The board may make apportionments in amounts not
39 exceeding those funds on deposit in the 2002 State School Facilities

1 Fund, and any amount of bonds authorized by the committee, but
2 not yet sold by the Treasurer.

3 (4) The board may make disbursements pursuant to any
4 apportionment made from any funds in the 2002 State School
5 Facilities Fund, irrespective of whether there exists at the time of
6 the disbursement an amount in the 2002 State School Facilities
7 Fund sufficient to permit payment in full of all apportionments
8 previously made. However, no disbursement shall be made from
9 any funds required by law to be transferred to the General Fund.

10 (c) (1) A fund is hereby established in the State ~~Treasury~~
11 *Treasury*, to be known as the 2004 State School Facilities Fund.
12 All money in the fund, including any money deposited in that fund
13 from any source whatsoever, and notwithstanding Section 13340
14 of the Government Code, is hereby continuously appropriated
15 without regard to fiscal years for expenditure pursuant to this
16 chapter.

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

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

24 (4) The board may make disbursements pursuant to any
25 apportionment made from any funds in the 2004 State School
26 Facilities Fund, irrespective of whether there exists at the time of
27 the disbursement an amount in the 2004 State School Facilities
28 Fund sufficient to permit payment in full of all apportionments
29 previously made. However, no disbursement shall be made from
30 any funds required by law to be transferred to the General Fund.

31 (d) (1) A fund is hereby established in the State Treasury, to
32 be known as the 2006 State School Facilities Fund. All money in
33 the fund, including any money deposited in that fund from any
34 source whatsoever, and notwithstanding Section 13340 of the
35 Government Code, is hereby continuously appropriated without
36 regard to fiscal years for expenditure pursuant to this chapter.

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

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

5 (4) The board may make disbursements pursuant to any
6 apportionment made from any funds in the 2006 State School
7 Facilities Fund, irrespective of whether there exists at the time of
8 the disbursement an amount in the 2006 State School Facilities
9 Fund sufficient to permit payment in full of all apportionments
10 previously made. However, no disbursement shall be made from
11 any funds required by law to be transferred to the General Fund.

12 (e) (1) *A fund is hereby established in the State Treasury, to be*
13 *known as the 2016 State School Facilities Fund. All money in the*
14 *fund, including any money deposited in that fund from any source*
15 *whatsoever, and notwithstanding Section 13340 of the Government*
16 *Code, is hereby continuously appropriated without regard to fiscal*
17 *years for expenditure pursuant to this chapter.*

18 (2) *The board may apportion funds to school districts for the*
19 *purposes of this chapter from funds transferred to the 2016 State*
20 *School Facilities Fund from any source.*

21 (3) *The board may make apportionments in amounts not*
22 *exceeding those funds on deposit in the 2016 State School Facilities*
23 *Fund, and any amount of bonds authorized by the committee, but*
24 *not yet sold by the Treasurer.*

25 (4) *The board may make disbursements pursuant to any*
26 *apportionment made from any funds in the 2016 State School*
27 *Facilities Fund, irrespective of whether there exists at the time of*
28 *the disbursement an amount in the 2016 State School Facilities*
29 *Fund sufficient to permit payment in full of all apportionments*
30 *previously made. However, no disbursement shall be made from*
31 *any funds required by law to be transferred to the General Fund.*

32 SEC. 4. *Section 17070.75 of the Education Code is amended*
33 *to read:*

34 17070.75. (a) ~~The~~ *As a condition of participation in the school*
35 *facilities program, the board shall require the school district to*
36 *make all necessary repairs, renewals, and replacements to ensure*
37 *that a project is at all times maintained in good repair, working*
38 *order, and condition. All costs incurred for this purpose shall be*
39 *borne by the school district.*

1 (b) In order to ensure compliance with subdivision (a) and to
2 encourage school districts to maintain all buildings under their
3 control, the board shall require an applicant school district to do
4 all of the following prior to the approval of a project:

5 (1) Establish a restricted account within the general fund of the
6 school district for the exclusive purpose of providing moneys for
7 ongoing and major maintenance of school buildings, according
8 the highest priority to funding for the purposes set forth in
9 subdivision (a).

10 (2) (A) Agree to deposit into the account established pursuant
11 to paragraph (1), in each fiscal year for 20 years after receipt of
12 funds under this chapter, a minimum amount equal to or greater
13 than ~~3~~ 2 percent of the total general fund expenditures of the
14 applicant school district, including other financing uses, for that
15 fiscal year. ~~Annual deposits to the account established pursuant to~~
16 ~~paragraph (1) in excess of 2 ½ percent of the school district~~
17 ~~general fund budget may count towards the amount of funds~~
18 ~~required to be contributed by a school district in order to receive~~
19 ~~apportionments from the State School Deferred Maintenance Fund~~
20 ~~pursuant to Section 17584 to the extent that those funds are used~~
21 ~~for purposes that qualify for funding under that section.~~

22 (B) ~~Notwithstanding subparagraph (A), for the 2004–05 fiscal~~
23 ~~year only, an applicant school district shall deposit into the account~~
24 ~~established pursuant to paragraph (1), no less than 2 percent of the~~
25 ~~total general fund expenditures of the school district, including~~
26 ~~other financing uses, for the fiscal year. The annual deposit to the~~
27 ~~account in excess of 1 ½ percent of the school district general fund~~
28 ~~budget for the 2004–05 fiscal year may count towards the amount~~
29 ~~that a school district is required to contribute in order to receive~~
30 ~~apportionments from the State School Deferred Maintenance Fund~~
31 ~~pursuant to Section 17584 to the extent that those funds are used~~
32 ~~for purposes that qualify for funding under that section.~~

33 (C)

34 (B) A school district contribution to the account may be provided
35 in lieu of meeting the ongoing maintenance requirements pursuant
36 to Section 17014 to the extent the funds are used for purposes
37 established in that section. A school district that serves as the
38 administrative unit for a special education local plan area may
39 elect to exclude from its total general fund expenditures, for
40 purposes of this paragraph, the distribution of revenues that are

1 passed through to participating members of the special education
 2 local plan area.
 3 ~~(D)~~
 4 (C) This paragraph applies only to the following school districts:
 5 (i) High school districts with an average daily attendance greater
 6 than 300 pupils.
 7 (ii) Elementary school districts with an average daily attendance
 8 greater than 900 pupils.
 9 (iii) Unified school districts with an average daily attendance
 10 greater than 1,200 pupils.
 11 (3) Certify that it has publicly approved an ongoing and major
 12 maintenance plan that outlines the use of the funds deposited, or
 13 to be deposited, pursuant to paragraph (2). The plan may provide
 14 that the school district need not expend all of its annual allocation
 15 for ongoing and major maintenance in the year in which it is
 16 deposited if the cost of major maintenance requires that the
 17 allocation be carried over into another fiscal year. However, any
 18 state funds carried over into a subsequent year may not be counted
 19 toward the annual minimum contribution by the school district. ~~A~~
 20 ~~plan developed in compliance with this section shall be deemed~~
 21 ~~to meet the requirements of Section 17585.~~
 22 ~~(e) A school district to which paragraph (2) of subdivision (b)~~
 23 ~~does not apply shall certify to the board that it can reasonably~~
 24 ~~maintain its facilities with a lesser level of maintenance.~~
 25 ~~(d)~~
 26 (c) For purposes of calculating a county office of education
 27 requirement pursuant to this section, the ~~3~~ 2 percent maintenance
 28 requirement shall be based upon the county office of education
 29 general fund less any restricted accounts.
 30 ~~(e)~~
 31 (d) As a condition of participation in the school facilities
 32 program or the receipt of funds pursuant to Section 17582, for a
 33 fiscal year after the 2004–05 fiscal year, a school district shall
 34 establish a facilities inspection system to ensure that each of its
 35 schools is maintained in good repair.
 36 ~~(f)~~
 37 (e) For purposes of this section, “good repair” has the same
 38 meaning as specified in subdivision (d) of Section 17002.
 39 *SEC. 5. Section 17070.99 of the Education Code is repealed.*

1 ~~17070.99.— (a) The board shall conduct an evaluation on the~~
2 ~~cost of new construction and modernization of small high schools~~
3 ~~in conjunction with the pilot program established pursuant to~~
4 ~~subdivision (c) of Section 17072.10, as it read on January 1, 2005.~~

5 ~~(b) The State Department of Education shall conduct an~~
6 ~~evaluation that focuses on pupil outcomes, including, but not~~
7 ~~limited to, academic achievement and college attendance rates, at~~
8 ~~the small high schools constructed pursuant to subdivision (c) of~~
9 ~~Section 17072.10, as it read on January 1, 2005, and on the reasons~~
10 ~~school districts do not currently opt to build small high schools.~~

11 ~~(c) The evaluations required pursuant to subdivisions (a) and~~
12 ~~(b) shall be completed no later than two years after the opening of~~
13 ~~the last small high school constructed pursuant to subdivision (c)~~
14 ~~of Section 17072.10, as it read on January 1, 2005.~~

15 ~~(d) The evaluations conducted pursuant to subdivisions (a) and~~
16 ~~(b) shall be used to inform the direction of future school facilities~~
17 ~~construction and related bond measures.~~

18 *SEC. 6. Section 17071.15 is added to the Education Code, to*
19 *read:*

20 *17071.15. Notwithstanding Section 17071.10, the board shall*
21 *require a school district that elects to participate in the new*
22 *construction program to conduct an inventory of existing facilities*
23 *and submit this information to the board, as prescribed by the*
24 *board, for purposes of maintaining a statewide school facilities*
25 *inventory.*

26 *SEC. 7. Section 17071.33 of the Education Code is repealed.*

27 ~~17071.33.— (a) For the purposes of determining existing school~~
28 ~~building capacity, the calculation shall be adjusted as required for~~
29 ~~first priority status pursuant to Section 17017.7 as that calculation~~
30 ~~would have been made under the policies of the board in effect~~
31 ~~immediately preceding September 1, 1998.~~

32 ~~(b) Notwithstanding subdivision (a), with respect to a high~~
33 ~~school district, the existing school building capacity shall be~~
34 ~~calculated without regard to multitrack year-round school~~
35 ~~considerations.~~

36 *SEC. 8. Section 17071.35 of the Education Code is repealed.*

37 ~~17071.35.— Notwithstanding any other provisions of law, the~~
38 ~~maximum school building capacity for each applicant district shall~~
39 ~~be increased by the number of pupils reported by the~~
40 ~~Superintendent of Public Instruction for that grade level pursuant~~

1 to Section 42268. This adjustment shall be calculated on the basis,
2 at the district's option, of either the district as a whole or the
3 appropriate attendance area.

4 *SEC. 9. Section 17071.40 of the Education Code is repealed.*

5 ~~17071.40. Each school on a year-round, multitrack calendar
6 that has a density of 200 or more pupils enrolled per acre, that is
7 located in a school district with 40 percent of its pupils attending
8 multitrack, year-round schools shall be exempted from the increase
9 in school building capacity required by Section 17071.35. Nothing
10 in this section shall be construed as exempting the school from the
11 requirements of Section 17071.33.~~

12 *SEC. 10. Section 17072.35 of the Education Code is amended*
13 *to read:*

14 17072.35. (a) (1) A grant for new construction may be used
15 for any and all costs necessary to adequately house new pupils in
16 any approved project, and those costs may only include the cost
17 of design, engineering, testing, inspection, plan checking,
18 construction management, site acquisition and development,
19 evaluation and response action costs relating to hazardous
20 substances at a new or existing schoolsite, demolition, construction,
21 acquisition and installation of portable classrooms, landscaping,
22 necessary utility costs, utility connections and other fees, equipment
23 including telecommunication equipment to increase school security,
24 furnishings, and the upgrading of electrical systems or the wiring
25 or cabling of classrooms in order to accommodate educational
26 technology. A grant for new construction may also be used to
27 acquire an existing government or privately owned building, or a
28 privately financed school building, and for the necessary costs of
29 converting the government or privately owned building for public
30 school use. ~~A~~

31 (2) A grant for new construction may also be used for the costs
32 either or both of the following purposes:

33 (A) The cost of designs and materials that promote the efficient
34 use of energy and water, the maximum use of natural lighting and
35 indoor air quality, the use of recycled materials and materials that
36 emit a minimum of toxic substances, the use of acoustics conducive
37 to teaching and learning, and other characteristics of ~~high~~
38 ~~performance~~ high-performance schools.

39 (B) Seismic mitigation purposes and related design, study, and
40 testing costs.

1 **(b)** *In the development of guidelines and regulations, the board*
2 *shall provide a school district with maximum flexibility in the*
3 *design and new construction of school facilities.*

4 **SEC. 11.** *Section 17072.40 is added to the Education Code, to*
5 *read:*

6 **17072.40.** *The Office of Public School Construction, in*
7 *consultation with the State Department of Education, shall*
8 *recommend to the board regulations that will provide school*
9 *districts with flexibility in designing instructional facilities. These*
10 *recommendations shall propose revisions to any regulations that*
11 *limit the ability of school districts to use new construction grants*
12 *to construct instructional space approved by the State Department*
13 *of Education. The proposed revisions shall ensure that a school*
14 *district has the ability to design a facility that provides a flexible*
15 *learning environment, provides for the integration and use of*
16 *technology, and serves as an instructional space and learning*
17 *environment that supports and enhances the educational delivery*
18 *process.*

19 **SEC. 12.** *Section 17073.16 is added to the Education Code, to*
20 *read:*

21 **17073.16.** *The board shall require a school district that elects*
22 *to participate in the modernization program to conduct an*
23 *inventory of existing facilities and submit this information to the*
24 *board, as prescribed by the board, for purposes of maintaining a*
25 *statewide school facilities inventory.*

26 **SEC. 13.** *Section 17074.25 of the Education Code is amended*
27 *to read:*

28 **17074.25.** (a) (1) *A modernization apportionment may be*
29 *used for an improvement to extend the useful life of, or to enhance*
30 *the physical environment of, the school. The improvement may*
31 *only include the cost of design, engineering, testing, inspection,*
32 *plan checking, construction management, demolition, construction,*
33 *the replacement of portable classrooms, necessary utility costs,*
34 *utility connection and other fees, the purchase and installation of*
35 *air-conditioning equipment and insulation materials and related*
36 *costs, furniture and equipment, including telecommunication*
37 *equipment to increase school security, fire safety improvements,*
38 *playground safety improvements, the identification, assessment,*
39 *or abatement of hazardous asbestos, seismic safety improvements,*
40 *and the upgrading of electrical systems or the wiring or cabling of*

1 classrooms in order to accommodate educational technology. A
 2 modernization grant may not be used for costs associated with
 3 acquisition and development of real property or for routine
 4 maintenance and repair.

5 (b)

6 (2) A modernization apportionment may also be used for ~~the~~
 7 *either of the following:*

8 (A) *The cost of designs and materials that promote the efficient*
 9 *use of energy and water, the maximum use of natural lighting and*
 10 *indoor air quality, the use of recycled materials and materials that*
 11 *emit a minimum of toxic substances, the use of acoustics conducive*
 12 *to teaching and learning, and other characteristics of*
 13 *high-performance schools.*

14 (B) *Seismic mitigation purposes and related design, study, and*
 15 *testing costs.*

16 (b) *In the development of guidelines and regulations, the board*
 17 *shall provide a school district with maximum flexibility in the*
 18 *design and modernization of school facilities.*

19 (c) (1) *A modernization apportionment may also be used to*
 20 *demolish and construct a building or buildings on an existing*
 21 *schoolsite if the total cost of providing a new school building,*
 22 *including land, on a new site would not protect the economic*
 23 *interest of the state and school district.*

24 (2) *A project deemed to meet the requirements of paragraph*
 25 *(1) shall be eligible for a grant equal to the grant provided under*
 26 *Section 17072.10.*

27 (d) *The board shall establish additional requirements it deems*
 28 *necessary to ensure that the economic interests of the state and*
 29 *the educational interests of the children of the state are protected.*

30 SEC. 14. *Section 17074.26 of the Education Code is amended*
 31 *to read:*

32 17074.26. *The board shall adopt regulations to adjust the*
 33 *per-pupil amounts set forth in Section ~~17074.14~~ 17074.10 for*
 34 *modernization projects for school buildings that are 50 years old*
 35 *or older based upon the higher costs associated with modernizing*
 36 *older buildings.*

37 SEC. 15. *Section 17254 is added to the Education Code, to*
 38 *read:*

39 17254. (a) *The State Department of Education, the Division*
 40 *of the State Architect, the Office of Public School Construction,*

1 *and the Department of Toxic Substances Control shall convene*
2 *for purposes of developing an interagency plan to streamline the*
3 *school facility construction application, review, and audit*
4 *processes in order to reduce the time and improve the efficiency*
5 *of the school facilities construction process.*

6 *(b) The interagency plan developed pursuant to subdivision (a)*
7 *shall be submitted to the Legislature, in accordance with Section*
8 *9795 of the Government Code, on or before July 1, 2017.*

9 *(c) It is the intent of the Legislature that operative regulatory*
10 *language adopted by the State Allocation Board before the effective*
11 *date of this section be reviewed and revised before July 1, 2016,*
12 *to ensure that the School Facility Program is being implemented*
13 *in a manner that reduces duplicative processes for the review,*
14 *approval, and audit of school facility new construction and*
15 *modernization projects.*

16 *(d) This section shall remain in effect only until July 1, 2021,*
17 *and as of that date is repealed, unless a later enacted statute, that*
18 *is enacted before July 1, 2021, deletes or extends that date.*

19 *SEC. 16. Section 17592.70 of the Education Code is amended*
20 *to read:*

21 17592.70. (a) There is hereby established the School Facilities
22 Needs Assessment Grant Program with the purpose to provide for
23 a one-time comprehensive assessment of school ~~facilities~~ *facility*
24 needs. The grant program shall be administered by the State
25 Allocation Board.

26 (b) (1) The grants shall be awarded to school districts on behalf
27 of schoolsites ranked in deciles 1 to 3, inclusive, on the Academic
28 Performance Index (API), pursuant to Section 52056, based on
29 the 2003 base API score for each school newly constructed prior
30 to January 1, 2000.

31 (2) For purposes of this section, schools ranked in deciles 1 to
32 3, inclusive, on the 2003 base API shall include any schools
33 determined by the department to meet either of the following:

34 (A) The school meets all of the following criteria:

35 (i) Does not have a valid base API score for 2003.

36 (ii) Is operating in *the 2004–05 fiscal–year* ~~year~~, and was
37 operating in *the 2003–04 fiscal year–2003–04* during the
38 Standardized Testing and Reporting (STAR) Program testing
39 period.

- 1 (iii) Has a valid base API score for 2002 that was ranked in
- 2 deciles 1 to 3, inclusive, in that year.
- 3 (B) The school has an estimated base API score for 2003 that
- 4 would be in deciles 1 to 3, inclusive.
- 5 (3) The department shall estimate an API score for any school
- 6 meeting the criteria of clauses (i) and (ii) of subparagraph (A) of
- 7 paragraph (2) and not meeting the criteria of clause (iii) of
- 8 subparagraph (A) of paragraph (2), using available testing scores
- 9 and any weighting or corrective factors it deems appropriate. The
- 10 department shall provide those API scores to the Office of Public
- 11 School Construction and post them on its *Internet* Web site within
- 12 30 days of the enactment of this section.
- 13 (4) For purposes of this section, schools ranked in deciles 1 to
- 14 3, inclusive, on the 2003 base API shall exclude any schools
- 15 determined by the department to be operated by county offices of
- 16 education pursuant to Section 56140.
- 17 (c) The board shall allocate funds pursuant to subdivision (b)
- 18 to school districts with jurisdiction over eligible schoolsites, based
- 19 on ten dollars (\$10) per pupil enrolled in the eligible school as of
- 20 October 2003, with a minimum allocation of seven thousand five
- 21 hundred dollars (\$7,500) for each schoolsite.
- 22 (d) As a condition of receiving funds pursuant to this section,
- 23 school districts shall do all of the following:
- 24 (1) Use the funds to develop a comprehensive needs assessment
- 25 of all schoolsites eligible for grants pursuant to subdivision (b).
- 26 The assessment shall contain, at a minimum, all of the following
- 27 information for each schoolsite:
- 28 (A) The year each building that is currently used for instructional
- 29 purposes was constructed.
- 30 (B) The year, if any, each building that is currently used for
- 31 instructional purposes was last modernized.
- 32 (C) The pupil capacity of the school.
- 33 (D) The number of pupils enrolled in the school.
- 34 (E) The density of the school campus measured in pupils per
- 35 acre.
- 36 (F) The total number of classrooms at the school.
- 37 (G) The age and number of portable classrooms at the school.
- 38 (H) Whether the school is operating on a multitrack, year-round
- 39 calendar, and, if so, what type.

1 (I) Whether the school has a cafeteria, or an auditorium or other
2 space used for pupil eating and not for class instruction.

3 (J) The useful life remaining of all major building systems for
4 each structure housing instructional space, including, but not
5 limited to, sewer, water, gas, electrical, roofing, and fire and life
6 safety protection.

7 (K) The estimated costs for five years necessary to maintain
8 functionality of each instructional space to maintain health, safety,
9 and a suitable learning environment, as applicable, including
10 classroom, counseling areas, administrative space, libraries,
11 gymnasiums, multipurpose and dining space, and the accessibility
12 to those spaces.

13 (L) A list of necessary repairs.

14 (2) Use the data currently filed with the state as part of the
15 process of applying for and obtaining modernization or construction
16 funds for school facilities, or information that is available in the
17 California Basic Education Data System for the element required
18 in subparagraphs (D), (E), (F), and (G) of paragraph (1).

19 (3) Use the assessment as the baseline for the facilities inspection
20 system required pursuant to subdivision—(e) (d) of Section
21 17070.75.

22 (4) Provide the results of the assessment to the Office of Public
23 School Construction, including a report on the expenditures made
24 in performing the assessment. It is the intent of the Legislature
25 that the assessments be completed as soon as possible, but not later
26 than January 1, 2006.

27 (5) If a school district does not need the full amount of the
28 allocation it receives pursuant to this section, the school district
29 shall expend the remaining funds for making facilities repairs
30 identified in its needs assessment. The school district shall report
31 to the Office of Public School Construction on the repairs
32 completed pursuant to this paragraph and the cost of the repairs.

33 (6) Submit to the Office of Public School Construction an
34 interim report regarding the progress made by the school district
35 in completing the assessments of all eligible schools.

36 *SEC. 17. Section 101012 of the Education Code is amended*
37 *to read:*

38 101012. (a) The proceeds from the sale of bonds, issued and
39 sold for the purposes of this chapter, shall be allocated in
40 accordance with the following schedule:

1 (1) The amount of one billion nine hundred million dollars
2 (\$1,900,000,000) for new construction of school facilities of
3 applicant school districts under Chapter 12.5 (commencing with
4 Section 17070.10) of Part ~~10~~: *10 of Division 1 of Title 1*. Of the
5 amount allocated under this paragraph, up to 10.5 percent shall be
6 available for purposes of seismic repair, reconstruction, or
7 replacement, pursuant to Section 17075.10. *The unencumbered*
8 *balance of the amount available for purposes of seismic repair,*
9 *reconstruction, or replacement under this paragraph shall be*
10 *transferred to the 2016 State School Facilities Fund for allocation*
11 *pursuant to Part 70 (commencing with Section 101100) on the*
12 *date that Part 70 (commencing with Section 101100) becomes*
13 *operative.*

14 (2) The amount of five hundred million dollars (\$500,000,000)
15 shall be available for providing school facilities to charter schools
16 pursuant to Article 12 (commencing with Section 17078.52) of
17 Chapter 12.5 of Part ~~10~~: *10 of Division 1 of Title 1*.

18 (3) The amount of three billion three hundred million dollars
19 (\$3,300,000,000) for the modernization of school facilities pursuant
20 to Chapter 12.5 (commencing with Section 17070.10) of Part ~~10~~:
21 *10 of Division 1 of Title 1*.

22 (4) (A) The amount of five hundred million dollars
23 (\$500,000,000) for the purposes set forth in Article 13
24 (commencing with Section 17078.70) of Chapter 12.5 of Part ~~10~~,
25 *10 of Division 1 of Title 1*, relating to facilities for career technical
26 education programs.

27 (B) Of the amount not yet approved for allocation by the State
28 Allocation Board pursuant to this paragraph by January 1, 2015,
29 50 percent shall be available for the purpose of paragraph (1), and
30 50 percent shall be available for purposes of paragraph (3). If an
31 apportionment or State Allocation Board approval pursuant to this
32 paragraph is rescinded after January 1, 2015, the rescinded amount
33 shall be available for the purposes of paragraphs (1) and (3). The
34 State Allocation Board shall determine the percentage of the
35 rescinded amount to be used for purposes of paragraph (1) and the
36 percentage of the rescinded amount to be used for purposes of
37 paragraph (3).

38 (5) Of the amounts allocated under paragraphs (1) and (3), up
39 to two hundred million dollars (\$200,000,000) for the purposes
40 set forth in Chapter 894 of the Statutes of 2004, relating to

1 incentives for the creation of smaller learning communities and
2 small high schools.

3 (6) The amount of twenty-nine million dollars (\$29,000,000)
4 for the purposes set forth in Article 10.6 (commencing with Section
5 17077.40) of Chapter 12.5 of Part 10 of Division 1 of Title 1,
6 relating to joint use projects.

7 (7) The amount of one billion dollars (\$1,000,000,000) shall be
8 available for providing new construction funding to severely
9 overcrowded schoolsites pursuant to Article 14 (commencing with
10 Section 17079) of Chapter 12.5 of Part 10 of Division 1 of Title
11 1.

12 (8) (A) The amount of one hundred million dollars
13 (\$100,000,000) for incentive grants to promote the use of designs
14 and materials in new construction and modernization projects that
15 include the attributes of high-performance schools, including, but
16 not limited to, the elements set forth in Section 17070.96, pursuant
17 to regulations adopted by the State Allocation Board.

18 (B) Of the amount not yet approved for allocation by the State
19 Allocation Board pursuant to this paragraph by January 1, 2015,
20 50 percent shall be available for purposes of paragraph (1), and
21 50 percent shall be available for purposes of paragraph (3). If an
22 apportionment or State Allocation Board approval pursuant to this
23 paragraph is rescinded on or after January 1, 2015, the rescinded
24 amount shall be available for purposes of paragraphs (1) and (3).
25 The State Allocation Board shall determine the percentage of the
26 rescinded amount to be used for purposes of paragraph (1) and the
27 percentage of the rescinded amount to be used for purposes of
28 paragraph (3).

29 (b) School districts may use funds allocated pursuant to
30 paragraph (3) of subdivision (a) only for one or more of the
31 following purposes in accordance with Chapter 12.5 (commencing
32 with Section 17070.10) of Part 10 of Division 1 of Title 1:

33 (1) The purchase and installation of air-conditioning equipment
34 and insulation materials, and related costs.

35 (2) Construction projects or the purchase of furniture or
36 equipment designed to increase school security or playground
37 safety.

38 (3) The identification, assessment, or abatement in school
39 facilities of hazardous asbestos.

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

1 (5) Any other modernization of facilities pursuant to Chapter
2 12.5 (commencing with Section 17070.10) of Part 10 of Division
3 1 of Title 1.

4 (c) Funds allocated pursuant to paragraph (1) of subdivision (a)
5 may also be used to provide new construction grants for eligible
6 applicant county boards of education under Chapter 12.5
7 (commencing with Section 17070.10) of Part 10 of Division 1 of
8 Title 1 for funding classrooms for severely handicapped pupils,
9 or for funding classrooms for county community school pupils.

10 (d) (1) The Legislature may amend this section to adjust the
11 funding amounts specified in paragraphs (1) to (8), inclusive, of
12 subdivision (a), only by either of the following methods:

13 (A) By a statute, passed in each house of the Legislature by
14 rollcall vote entered in the respective journals, by not less than
15 two-thirds of the membership in each house concurring, if the
16 statute is consistent with, and furthers the purposes of, this chapter.

17 (B) By a statute that becomes effective only when approved by
18 the voters.

19 (2) Amendments pursuant to this subdivision may adjust the
20 amounts to be expended pursuant to paragraphs (1) to (8), inclusive,
21 of subdivision (a), but may not increase or decrease the total
22 amount to be expended pursuant to that subdivision.

23 (e) Funds available pursuant to this section may be used for
24 acquisition of school facilities authorized pursuant to Section
25 17280.5.

26 *SEC. 18. Part 70 (commencing with Section 101100) is added*
27 *to Division 14 of Title 3 of the Education Code, to read:*

28

29 *PART 70. K-14 SCHOOL INVESTMENT BOND ACT OF 2016*

30

31 *CHAPTER 1. GENERAL*

32

33 *101100. This part shall be known, and may be cited, as the*
34 *K-14 School Investment Bond Act of 2016.*

35 *101101. The incorporation of, or reference to, any provision*
36 *of California statutory law in this part includes all acts amendatory*
37 *thereof and supplementary thereto.*

38 *101102. (a) Bonds in the total amount of _____ dollars (\$_____),*
39 *not including the amount of any refunding bonds issued in*
40 *accordance with Sections 101130, 101139, and 101159, or so*

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

10 *(b) Pursuant to this section, the Treasurer shall sell the bonds*
11 *authorized by the State School Building Finance Committee*
12 *established by Section 15909 or the Higher Education Facilities*
13 *Finance Committee established pursuant to Section 67353, as the*
14 *case may be, at any different times necessary to service*
15 *expenditures required by the apportionments.*

16
17 *CHAPTER 2. KINDERGARTEN THROUGH GRADE 12*

18
19 *Article 1. Kindergarten Through Grade 12 School Facilities*
20 *Program Provisions*

21
22 *101110. The proceeds of bonds issued and sold pursuant to*
23 *Article 2 (commencing with Section 101120) shall be deposited in*
24 *the 2016 State School Facilities Fund established in the State*
25 *Treasury under subdivision (e) of Section 17070.40, and shall be*
26 *allocated by the State Allocation Board pursuant to this chapter.*

27 *101111. All moneys deposited in the 2016 State School*
28 *Facilities Fund for the purposes of this chapter shall be available*
29 *to provide aid to school districts, county superintendents of schools,*
30 *and county boards of education of the state in accordance with*
31 *the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5*
32 *(commencing with Section 17070.10) of Part 10 of Division 1 of*
33 *Title 1), as set forth in Section 101112, to provide funds to repay*
34 *any money advanced or loaned to the 2016 State School Facilities*
35 *Fund under any act of the Legislature, together with interest*
36 *provided for in that act, and to reimburse the General Obligation*
37 *Bond Expense Revolving Fund pursuant to Section 16724.5 of the*
38 *Government Code.*

1 101112. (a) *The proceeds from the sale of bonds, issued and*
2 *sold for the purposes of this chapter, shall be allocated in*
3 *accordance with the following schedule:*

4 (1) *The amount of ____ dollars (\$____) for new construction*
5 *of school facilities of applicant school districts under Chapter 12.5*
6 *(commencing with Section 17070.10) of Part 10 of Division 1 of*
7 *Title 1.*

8 (2) *The amount of ____ dollars (\$____) for the modernization*
9 *of school facilities pursuant to Chapter 12.5 (commencing with*
10 *Section 17070.10) of Part 10 of Division 1 of Title 1.*

11 (3) *Of the amount allocated in this subdivision, up to 5 percent*
12 *shall be available for providing facilities to charter schools*
13 *pursuant to Article 12 (commencing with Section 17078.52) of*
14 *Chapter 12.5 of Part 10 of Division 1 of Title 1.*

15 (b) *School districts may use funds allocated pursuant to*
16 *paragraph (2) of subdivision (a) only for one or more of the*
17 *following purposes in accordance with Chapter 12.5 (commencing*
18 *with Section 17070.10) of Part 10 of Division 1 of Title 1:*

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

21 (2) *Construction projects or the purchase of furniture or*
22 *equipment designed to increase school security or playground*
23 *safety.*

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

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

27 (5) *Any other modernization of facilities pursuant to Chapter*
28 *12.5 (commencing with Section 17070.10) of Part 10 of Division*
29 *1 of Title 1.*

30 (c) *Funds allocated pursuant to paragraph (1) of subdivision*
31 *(a) may also be utilized to provide new construction grants for*
32 *eligible applicant county boards of education under Chapter 12.5*
33 *(commencing with Section 17070.10) of Part 10 of Division 1 of*
34 *Title 1 for funding classrooms for severely handicapped pupils,*
35 *or for funding classrooms for county community school pupils.*

36 101113. (a) *The board shall assign the highest priority for*
37 *funding under this chapter to applicant school districts whose*
38 *projects to be funded are emergency facility needs as defined in*
39 *subdivision (c) of Section 17592.72.*

1 (b) The board shall assign priority for funding under this chapter
2 to applicant school districts that demonstrate participation in a
3 community-based effort to coordinate educational, developmental,
4 family, health, and other comprehensive services by engaging in
5 public and private partnerships with local public entities and other
6 nonprofit or private community partners. Criteria that demonstrate
7 this participation shall include all of the following:

8 (1) Institutionalized structures for cross-agency collaboration,
9 including, but not limited to, memoranda of understanding to
10 coordinate activities and services.

11 (2) Agreements for joint use and operations of school facilities
12 that provide for extended hours of use for pupils, families, and the
13 community, integration of libraries, early childhood education,
14 child care centers, senior centers, outdoor recreation or
15 environmental education, arts education, and career technical
16 education and adult education offerings for pupils and community
17 members.

18 (3) Participation in the State Community Schools Network.

19 (4) Participation in technical assistance and training, including
20 professional development, for full-service community schools.

21 (5) Certification that the district's school facilities master plan
22 is consistent with the regional sustainable communities strategy
23 established pursuant to Section 65080 of the Government Code.

24
25 Article 2. Kindergarten Through Grade 12 School Facilities
26 Fiscal Provisions
27

28 101120. (a) Of the total amount of bonds authorized to be
29 issued and sold pursuant to Chapter 1 (commencing with Section
30 101100), bonds in the amount of _____ dollars (\$_____), not
31 including the amount of any refunding bonds issued in accordance
32 with Section 101130, or so much thereof as is necessary, may be
33 issued and sold to provide a fund to be used for carrying out the
34 purposes expressed in this chapter and to reimburse the General
35 Obligation Bond Expense Revolving Fund pursuant to Section
36 16724.5 of the Government Code. The bonds, when sold, shall be
37 and constitute a valid and binding obligation of the State of
38 California, and the full faith and credit of the State of California
39 is hereby pledged for the punctual payment of the principal of,

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

3 *(b) Pursuant to this section, the Treasurer shall sell the bonds*
4 *authorized by the State School Building Finance Committee*
5 *established pursuant to Section 15909 at any different times*
6 *necessary to service expenditures required by the apportionments.*

7 *101121. The State School Building Finance Committee,*
8 *established by Section 15909 and composed of the Governor, the*
9 *Controller, the Treasurer, the Director of Finance, and the*
10 *Superintendent, or their designated representatives, all of whom*
11 *shall serve on the committee without compensation, and a majority*
12 *of whom shall constitute a quorum, is continued in existence for*
13 *the purpose of this chapter. The Treasurer shall serve as*
14 *chairperson of the committee. Two Members of the Senate*
15 *appointed by the Senate Committee on Rules, and two Members*
16 *of the Assembly appointed by the Speaker of the Assembly, shall*
17 *meet with and provide advice to the committee to the extent that*
18 *the advisory participation is not incompatible with their respective*
19 *positions as Members of the Legislature. For purposes of this*
20 *chapter, the Members of the Legislature shall constitute an interim*
21 *investigating committee on the subject of this chapter and, as that*
22 *committee, shall have the powers granted to, and duties imposed*
23 *upon, those committees by the Joint Rules of the Senate and the*
24 *Assembly. The Director of Finance shall provide assistance to the*
25 *committee as it may require. The Attorney General of the state is*
26 *the legal advisor of the committee.*

27 *101122. (a) The bonds authorized by this chapter shall be*
28 *prepared, executed, issued, sold, paid, and redeemed as provided*
29 *in the State General Obligation Bond Law (Chapter 4 (commencing*
30 *with Section 16720) of Part 3 of Division 4 of Title 2 of the*
31 *Government Code), and all of the provisions of that law, except*
32 *Section 16727 of the Government Code to the extent that it conflicts*
33 *with this part, apply to the bonds and to this chapter and are hereby*
34 *incorporated into this chapter as though set forth in full within*
35 *this chapter.*

36 *(b) For purposes of the State General Obligation Bond Law,*
37 *the State Allocation Board is designated the “board” for purposes*
38 *of administering the 2016 State School Facilities Fund.*

39 *101123. (a) Upon request of the State Allocation Board, the*
40 *State School Building Finance Committee shall determine whether*

1 *or not it is necessary or desirable to issue bonds authorized*
2 *pursuant to this chapter in order to fund the apportionments and,*
3 *if so, the amount of bonds to be issued and sold. Successive issues*
4 *of bonds may be authorized and sold to fund those apportionments*
5 *progressively, and it is not necessary that all of the bonds*
6 *authorized to be issued be sold at any one time.*

7 *(b) It is the intent of the Legislature that the State School*
8 *Building Finance Committee consider a pay-as-you-go model of*
9 *financing that increases actual money for construction by issuing*
10 *short-term debt with faster repayment plans to lessen the amount*
11 *of state funds spent on interest and reduce overall state debt.*

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

16 *101124. There shall be collected each year and in the same*
17 *manner and at the same time as other state revenue is collected,*
18 *in addition to the ordinary revenues of the state, a sum in an*
19 *amount required to pay the principal of, and interest on, the bonds*
20 *each year. It is the duty of all officers charged by law with any*
21 *duty in regard to the collection of the revenue to do and perform*
22 *each and every act that is necessary to collect that additional sum.*

23 *101125. Notwithstanding Section 13340 of the Government*
24 *Code, there is hereby appropriated from the General Fund in the*
25 *State Treasury, for the purposes of this chapter, an amount that*
26 *will equal the total of the following:*

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

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

32 *101126. The State Allocation Board may request the Pooled*
33 *Money Investment Board to make a loan from the Pooled Money*
34 *Investment Account or any other approved form of interim*
35 *financing, in accordance with Section 16312 of the Government*
36 *Code, for the purpose of carrying out this chapter. The amount of*
37 *the request shall not exceed the amount of the unsold bonds that*
38 *the committee, by resolution, has authorized to be sold for the*
39 *purpose of carrying out this chapter. The board shall execute any*
40 *documents required by the Pooled Money Investment Board to*

1 *obtain and repay the loan. Any amounts loaned shall be deposited*
2 *in the fund to be allocated by the board in accordance with this*
3 *chapter.*

4 *101127. Notwithstanding any other provision of this chapter,*
5 *or of the State General Obligation Bond Law, if the Treasurer*
6 *sells bonds pursuant to this chapter that include a bond counsel*
7 *opinion to the effect that the interest on the bonds is excluded from*
8 *gross income for federal tax purposes, subject to designated*
9 *conditions, the Treasurer may maintain separate accounts for the*
10 *investment of bond proceeds and for the investment earnings on*
11 *those proceeds. The Treasurer may use or direct the use of those*
12 *proceeds or earnings to pay any rebate, penalty, or other payment*
13 *required under federal law or take any other action with respect*
14 *to the investment and use of those bond proceeds required or*
15 *desirable under federal law to maintain the tax-exempt status of*
16 *those bonds and to obtain any other advantage under federal law*
17 *on behalf of the funds of this state.*

18 *101128. For purposes of carrying out this chapter, the Director*
19 *of Finance may authorize the withdrawal from the General Fund*
20 *of an amount not to exceed the amount of the unsold bonds that*
21 *have been authorized by the State School Building Finance*
22 *Committee to be sold for the purpose of carrying out this chapter.*
23 *Any amounts withdrawn shall be deposited in the 2016 State School*
24 *Facilities Fund consistent with this chapter. Any money made*
25 *available under this section shall be returned to the General Fund,*
26 *plus an amount equal to the interest that the money would have*
27 *earned in the Pooled Money Investment Account, from proceeds*
28 *received from the sale of bonds for the purpose of carrying out*
29 *this chapter.*

30 *101129. All money deposited in the 2016 State School Facilities*
31 *Fund that is derived from premium and accrued interest on bonds*
32 *sold shall be reserved in the fund, and shall be available for*
33 *transfer to the General Fund as a credit to expenditures for bond*
34 *interest.*

35 *101130. The bonds may be refunded in accordance with Article*
36 *6 (commencing with Section 16780) of Chapter 4 of Part 3 of*
37 *Division 4 of Title 2 of the Government Code, which is a part of*
38 *the State General Obligation Bond Law. Approval by the voters*
39 *of the state for the issuance of the bonds described in this chapter*
40 *includes the approval of the issuance of any bonds issued to refund*

1 any bonds originally issued under this chapter or any previously
2 issued refunding bonds.

3 101131. The Legislature hereby finds and declares that,
4 inasmuch as the proceeds from the sale of bonds authorized by
5 this chapter are not “proceeds of taxes” as that term is used in
6 Article XIII B of the California Constitution, the disbursement of
7 these proceeds is not subject to the limitations imposed by that
8 article.

9

10 *CHAPTER 3. CALIFORNIA COMMUNITY COLLEGE FACILITIES*

11

12 *Article 1. General*

13

14 101132. (a) The 2016 California Community College Capital
15 Outlay Bond Fund is hereby established in the State Treasury for
16 deposit of funds from the proceeds of bonds issued and sold for
17 the purposes of this chapter.

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

23

24 *Article 2. California Community College Facilities Program*
25 *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 _____ dollars (\$_____) shall be deposited in the 2016 California
30 Community College Capital Outlay Bond Fund for the purposes
31 of this article. When appropriated, these funds shall be available
32 for expenditure for the purposes of this article.

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

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

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

7

8 *Article 3. California Community College Facilities Fiscal*
 9 *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 _____ dollars (\$_____), not*
 14 *including the amount of any refunding bonds issued in accordance*
 15 *with Section 101139, 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 chapter 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) 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 15 of each year, those*
 30 *entities report their findings regarding inclusion of facilities for*
 31 *intersegmental use to the budget committees of each house of the*
 32 *Legislature.*

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

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

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

6 *(b) For purposes of the State General Obligation Bond Law,*
7 *each state agency administering an appropriation of the 2016*
8 *California Community College Capital Outlay Bond Fund is*
9 *designated as the “board” for projects funded pursuant to this*
10 *chapter.*

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

16 *101135. 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 *101135.5. 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*
32 *amount required to pay the principal of, and interest on, the bonds*
33 *each year. It is the duty of all officers charged by law with any*
34 *duty in regard to the collection of the revenue to do and perform*
35 *each and every act that is necessary to collect that additional sum.*

36 *101136. 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 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 purposes of carrying out this chapter, the*
34 *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 2016*
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 2016 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 *SEC. 19. The Secretary of State shall submit Sections 17 and*
35 *18 of this act to the voters at the _____, 2016, statewide _____*
36 *election.*

37 *SEC. 20. The provisions of this act are severable. If any*
38 *provision of this act or its application is held invalid, that invalidity*
39 *shall not affect other provisions or applications that can be given*
40 *effect without the invalid provision or application.*

1 *SEC. 21. Sections 2 to 14, inclusive, and Sections 16, 17, and*
2 *18 of this act shall become operative only if the voters approve*
3 *the K-14 School Investment Bond Act of 2016, as set forth in*
4 *Section 18 of this act.*

5 ~~SECTION 1. It is the intent of the Legislature to enact~~
6 ~~legislation to submit a general obligation bond measure to the~~
7 ~~voters during the 2016 calendar year to fund the modernization~~
8 ~~and construction of school facilities.~~