Introduced by Assembly Member O’Donnell
(Coauthor: Assembly Member Cunningham)

December 3, 2018

An act to add Sections 17070.415 and 17070.42 to, amend Sections 17075.15, 17077.40, and 17077.42 of, to add Sections 17070.415, 17070.42, 17074.265, and 17075.20 to, to add Article 10.7 (commencing with Section 17077.60) and Article 11.5 (commencing with Section 17078.40) to Chapter 12.5 of Part 10 of Division 1 of Title 1 of, and to add Part 71 (commencing with Section 101410) and Part 72 (commencing with Section 101610) to Division 14 of Title 3 of, the Education Code, relating to school education finance, 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 these funds.

LEGISLATIVE COUNSEL’S DIGEST


1) The Leroy F. Greene School Facilities Act of 1998 provides for the adoption of rules, regulations, and procedures, under the administration of the Director of General Services, for the allocation of state funds by the State Allocation Board for the construction and modernization of public school facilities.
This bill would specifically authorize the allocation of state funds for the replacement of school buildings that are at least 75 years old, for specified assistance to small school districts, as defined, and for the testing and remediation of lead levels in water fountains and faucets used for drinking or preparing food on schoolsites.

The bill would increase the maximum level of total bonding capacity, as defined, that a school district could have in order to be deemed eligible for financial hardship under the act from $5,000,000 to $10,000,000. The bill would authorize the State Allocation Board to provide specified assistance to school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. The bill would adjust requirements related to the funding of joint-use projects to construct facilities on schoolsites serving kindergarten or any of grades 1 to 12, inclusive.

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) authorizes the debt for a single object or work specified in the act, (2) has been passed by a 2/3 vote of all the Members elected to each house of the Legislature, (3) has been submitted to the people at a statewide general or primary election, and (4) has received a majority of all the votes cast for and against it at that election.

This bill would set forth the Kindergarten-Community Colleges Public Education Facilities Bond Acts of 2020 and 2022 as state general obligation bond acts that would provide unspecified amounts of funds to construct and modernize education facilities, as specified. These respective bond acts would become operative only if approved by the voters at unspecified 2020 and 2022 statewide elections. The bill would also provide for the submission of the bond acts to the voters at those elections.


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

1 SECTION 1. Section 17070.415 is added to the Education Code, immediately following Section 17070.41, to read:
17070.415. (a) A fund is hereby established in the State
Treasury, to be known as the 2020 State School Facilities Fund.
All money in the fund, including any money deposited in that fund
from any source whatsoever, and notwithstanding Section 13340
of the Government Code, is hereby continuously appropriated
without regard to fiscal years for expenditure pursuant to this
chapter.
(b) The board may make apportionments in amounts not
exceeding those funds on deposit in the 2020 State School Facilities
Fund, and any amount of bonds authorized by the committee, but
not yet sold by the Treasurer.
(c) The board may make disbursements pursuant to any
apportionment made from any funds in the 2020 State School
Facilities Fund, irrespective of whether there exists at the time of
the disbursement an amount in the 2020 State School Facilities
Fund sufficient to permit payment in full of all apportionments
previously made. No disbursement shall be made from any funds
required by law to be transferred to the General Fund.
SEC. 2. Section 17070.42 is added to the Education Code,
immediately following Section 17070.415, to read:
17070.42. (a) A fund is hereby established in the State
Treasury, to be known as the 2022 State School Facilities Fund.
All money in the fund, including any money deposited in that fund
from any source whatsoever, and notwithstanding Section 13340
of the Government Code, is hereby continuously appropriated
without regard to fiscal years for expenditure pursuant to this
chapter.
(b) The board may make apportionments in amounts not
exceeding those funds on deposit in the 2022 State School Facilities
Fund, and any amount of bonds authorized by the committee, but
not yet sold by the Treasurer.
(c) The board may make disbursements pursuant to any
apportionment made from any funds in the 2022 State School
Facilities Fund, irrespective of whether there exists at the time of
the disbursement an amount in the 2022 State School Facilities
Fund sufficient to permit payment in full of all apportionments
previously made. No disbursement shall be made from any funds
required by law to be transferred to the General Fund.
SEC. 3. Section 17074.265 is added to the Education Code,
immediately following Section 17074.26, to read:
17074.265. (a) Notwithstanding Article 6 (commencing with Section 17073.10), a school district shall be eligible to receive a modernization apportionment to demolish and construct a building or buildings on an existing schoolsite if both of the following conditions are met:

(1) The building or buildings to be replaced are at least 75 years old.

(2) The school district provides a cost-benefit analysis that indicates the total cost to modernize the building or buildings are at least 50 percent of the current replacement cost, as defined by the board, of the building or buildings. The cost-benefit analysis may include applicable site development costs.

(b) A project that meets the requirements of subdivision (a) shall be eligible for a grant equal to the grant provided under Section 17072.10 multiplied by the capacity of the building or buildings calculated pursuant to Section 17071.25.

(c) The board may adopt regulations to implement this section.

SEC. 4. Section 17075.15 of the Education Code is amended to read:

17075.15. (a) From funds available from any bond act for the purpose of funding facilities for school districts with a financial hardship, the board may provide other construction, modernization, or relocation assistance as set forth in this chapter or Chapter 14 (commencing with Section 17085) to the extent that severe circumstances may require, and may adjust or defer the local financial participation, as pupil health and safety considerations require to the extent that bond act funds are provided for this purpose.

(b) The board shall adopt regulations for determining the amount of funding that may be provided to a district, and the eligibility and prioritization of funding, under this article.

(c) The regulations shall define the amount, and sources, of financing that the school district could reasonably provide for school facilities as follows:

(1) Unencumbered funds available in all facility accounts in the school district including, but not limited to, fees on development, redevelopment funds, sale proceeds from surplus property, funds generated by certificates of participation for facility purposes, bond funds, federal grants, and other funds available for school facilities, as the board may determine.
(2) The board may exclude from consideration all funds encumbered for a specific capital outlay purpose, a reasonable amount for interim housing, and other funds that the board may find are not reasonably available for the project.

(d) Further, the regulations shall also specify a method for determining required levels of local effort to obtain matching funds. The regulations shall include consideration of at least all of the following factors:

(1) Whether the school district has passed a bond measure within the two-year period immediately preceding the application for funding under this article, the proceeds of which are substantially available for use in the project to be funded under this chapter, but remains unable to provide the necessary matching share requirement.

(2) Whether the principal amount of the current outstanding bonded indebtedness issued for the purpose of constructing school facilities for the school district and secured by property within the school district or by revenues of, or available to, the school district, which shall include general obligation bonds, Mello-Roos bonds, school facility improvement district bonds, certificates of participation, and other debt instruments issued for the purpose of constructing school facilities for the school district and for which owners of property within the school district or the school district are paying debt service is at least 60 percent of the school district’s total bonding capacity, as determined by the board.

(3) Whether the total bonding capacity, as defined in Section 15102 or 15106, as applicable, is five ten million dollars ($5,000,000) ($10,000,000) or less, in which case, the school district shall be deemed eligible for financial hardship.

(4) Whether the application for funding under this article is from a county superintendent of schools.

(5) Whether the school district submits other evidence of substantial local effort acceptable to the board.

(6) The value of any unused local general obligation debt capacity, and developer fees added to the needs analysis to reflect the district’s financial hardship, available for the purposes of school facilities financing.

SEC. 5. Section 17075.20 is added to the Education Code, immediately following Section 17075.15, to read:
17075.20. (a) The board may provide assistance under this chapter for purposes of procuring interim housing, including, but not limited to, the leasing or acquisition of portable classrooms and any work associated with placing them on a site, to school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency. The allocated funds shall supplement funding from insurance or any other local, state, or federal government disaster assistance.

(b) For purposes of this section, and notwithstanding any other section of this chapter, school districts and county offices of education determined by the board to be impacted by a natural disaster as defined in subdivision (a) are determined to meet the requirements set forth in Section 17075.10.

(c) Notwithstanding any other law, school districts and county offices of education that receive assistance under this section shall be entitled to retain savings from a project and use those savings for other high priority capital outlay purposes.

(d) Grants provided pursuant to this section shall not affect the applicant's eligibility for any other program under this chapter.

SEC. 6. Section 17077.40 of the Education Code is amended to read:

17077.40. (a) With funds made available for the purposes of this article, the board may provide a grant to fund joint-use projects to construct facilities on kindergarten to grade 12, inclusive, schoolsites.

(b) A school district may apply to the board for funding under this article for a project that meets any either of the following criteria:

(1) The joint-use project is part of an application for new construction funding under this chapter, and will increase the size or extra cost associated with the joint use of the proposed multipurpose room, gymnasium, childcare or preschool facility, library, or teacher education facility, wellness center, or theater beyond that necessary for school use.

(2) The joint-use project proposes to either reconfigure existing school buildings or construct new school buildings, or both, to provide for a multipurpose room, a gymnasium, a library, a childcare or preschool facility, or a teacher education facility, a wellness center, or a theater, and the project will be located at
a school that does not have the type of facility for which funds are requested or the existing facility is inadequate.

(3) The joint-use project proposes to either reconfigure existing school buildings or construct new school buildings, or both, to provide for facilities to improve pupil academic achievement, and the plans for the facility were accepted for review and approval by the department prior to January 1, 2004.

SEC. 7. Section 17077.42 of the Education Code is amended to read:

17077.42. In order to be approved for a grant under this article, the applicant district shall demonstrate that it has complied with all of the following:

(a) The school district has entered into a joint-use agreement with a governmental agency, public community college, public college or public university, or a nonprofit organization approved by the board.

(b) The joint-use agreement specifies the method of sharing capital and operating costs, specifies relative responsibilities for the operation and staffing of the facility, and specifies the manner in which the safety of the pupils will be ensured.

(c) The joint-use agreement specifies the amount of the contribution to be made by the school district and the joint-use partner toward the 50-percent local share of eligible project costs. The contribution made by a joint-use partner shall be no less than 25 percent of eligible project costs, unless the school district has passed a local bond which specifies that proceeds of sale of the bonds are to be used for the joint-use project, in which case the school district may opt to provide up to the full 50-percent local share of eligible costs. The board may adopt regulations to allow ongoing operational and staffing contributions of the joint use partner to be considered in the required local matching share.

(d) The school district demonstrates that the facility will be used to the maximum extent possible for both school and community purposes, or both school and higher education purposes, as applicable.

(e) (1) The project application qualifies for funding under paragraph (1) of subdivision (b) of Section 17077.40 and the school district has received all approvals necessary for apportionment under this chapter.
(2) The project qualifies for funding under paragraph (2) or (3) of subdivision (b) of Section 17077.40 and the school district has completed preliminary plans for the project and has received State Department of Education approval of the plans.

SEC. 8. Article 10.7 (commencing with Section 17077.60) is added to Chapter 12.5 of Part 10 of Division 1 of Title 1 of the Education Code, to read:

Article 10.7. Testing and Remediation of Lead Levels in Water at Schoolsites

17077.60. (a) With funds made available for this purpose, the board shall provide a grant to test for lead in water fountains and faucets used for drinking or preparing food on schoolsites serving kindergarten or any of grades 1 to 12, inclusive, and for the remediation of any water fountain or faucet with lead levels in excess of 15 parts per billion.

(b) (1) A school district that applies for funding to test lead levels in water fountains and faucets shall be required to test all water fountains and faucets on the schoolsite.

(2) A school district shall provide the test results to the Office of Public School Construction and the school district’s local community water system.

(c) (1) A school district may request a grant for the replacement of a water fountain or faucet if the test results indicate lead levels for that water fountain or faucet exceed 15 parts per billion.

(2) Additional testing shall be required upon completion of the remediation efforts specified in paragraph (1) to ensure that lead levels have fallen below 15 parts per billion.

(d) The board shall establish funding cycles for allocation of funds. If funds are available at the conclusion of the funding cycles, the board may adopt regulations to provide grants to replace any pipes or fixtures that are contributing to the elevated lead levels if lead levels do not fall below 15 parts per billion after additional testing has been performed as specified in paragraph (2) of subdivision (c).

(e) The board may consider setting a maximum amount on the grant to be provided for testing and remediation.
SEC. 9. Article 11.5 (commencing with Section 17078.40) is added to Chapter 12.5 of Part 10 of Division 1 of Title 1 of the Education Code, to read:

Article 11.5. Assistance to Small School Districts

17078.40. (a) It is the intent of the Legislature to enact legislation that would establish a technical assistance office to assist small school districts in the processes of planning, designing, and funding of school facilities. As used in this article, a “small school district” is a school district with average daily attendance of less than 2,500.

(b) A small school district may receive a design apportionment from funds made available for purposes of this article. A small school district may apply to the board for a preliminary apportionment, as defined in Section 17078.52, and may have up to five years to convert to an apportionment.

SEC. 10. Part 71 (commencing with Section 101410) is added to Division 14 of Title 3 of the Education Code, to read:

PART 71. KINDERGARTEN-COMMUNITY COLLEGE PUBLIC EDUCATION FACILITIES BOND ACT OF 2020

Chapter 1. General Provisions

101410. This part shall be known, and may be cited, as the Kindergarten-Community College Public Education Facilities Bond Act of 2020.

101412. Bonds in the total amount of ____ dollars ($____), not including the amount of any refunding bonds issued in accordance with Sections 101440 and 101449, or so much thereof as is necessary, may be issued and sold for the purposes set forth in Sections 101430 and 101444. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.
Chapter 2. Kindergarten-Grade 12

Article 1. Kindergarten-Grade 12 School Facilities Program

Provisions

101420. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 2020 State School Facilities Fund established in the State Treasury under Section 17070.415, and shall be allocated by the State Allocation Board pursuant to this chapter.

101421. All moneys deposited in the 2020 State School Facilities Fund for the purposes of this chapter shall be available to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) to provide funds to repay any money advanced or loaned to the 2020 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

101422. The proceeds from the sale of bonds issued and sold for the purposes of this chapter shall be allocated in accordance with the following schedule:

(a) The amount of ____ dollars ($____) for new construction of school facilities of applicant school districts pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1.

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

(c) The amount of ____ dollars ($____) for the replacement of facilities older than 75 years pursuant to Section 17074.265.

(d) The amount of ____ dollars ($____) for joint use facilities pursuant to Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

(e) The amount of ____ dollars ($____) to address the remediation of lead in water pursuant to Article 10.7 (commencing with Section 17077.60) of Chapter 12.5 of Part 10 of Division 1 of Title 1.
The amount of ____ dollars ($____) shall be available for providing school facilities to charter schools pursuant to Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

The amount of ____ dollars ($____) for facilities for career technical education programs pursuant to Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10 of Division 1 of Title 1.


101430. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101410), bonds in the amount of ____ dollars ($____) not including the amount of any refunding bonds issued in accordance with Section 101440, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established pursuant to Section 15909 at any different times necessary to service expenditures required by the apportionments. 101431. The State School Building Finance Committee, established by Section 15909 and composed of the Governor, the Controller, the Treasurer, the Director of Finance, and the Superintendent, or their designated representatives, all of whom shall serve thereon without compensation, and a majority of whom shall constitute a quorum, is continued in existence for the purpose of this chapter. The Treasurer shall serve as chairperson of the committee. Two Members of the Senate appointed by the Senate Committee on Rules, and two Members of the Assembly appointed by the Speaker of the Assembly, shall meet with and provide advice to the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and, as that committee, shall have the
powers granted to, and duties imposed upon, those committees by
the Joint Rules of the Senate and the Assembly. The Director of
Finance shall provide assistance to the committee as it may require.
The Attorney General is the legal adviser of the committee.

101432. (a) The bonds authorized by this chapter shall be
prepared, executed, issued, sold, paid, and redeemed as provided
in the State General Obligation Bond Law (Chapter 4 (commencing
with Section 16720) of Part 3 of Division 4 of Title 2 of the
Government Code), and all acts amendatory thereof and
supplementary thereto, are hereby incorporated into this chapter
as though set forth in full within this chapter, except that
subdivisions (a) and (b) of Section 16727 of the Government Code
shall not apply to the bonds authorized by this chapter.
(b) For purposes of the State General Obligation Bond Law, the
State Allocation Board is designated the “board” for purposes of
administering the 2020 State School Facilities Fund.

101433. (a) Upon request of the State Allocation Board, the
State School Building Finance Committee shall determine by
resolution whether or not it is necessary or desirable to issue bonds
authorized pursuant to this chapter in order to fund the related
apportionments and, if so, the amount of bonds to be issued and
sold. Successive issues of bonds may be authorized and sold to
fund those apportionments progressively, and it is not necessary
that all of the bonds authorized to be issued be sold at any one
time.
(b) A request of the State Allocation Board pursuant to
subdivision (a) shall be supported by a statement of the
apportionments made and to be made for the purposes described
in Section 101421.

101434. There shall be collected each year and in the same
manner and at the same time as other state revenue is collected,
in addition to the ordinary revenues of the state, a sum in an amount
required to pay the principal of, and interest on, the bonds each
year. It is the duty of all officers charged by law with any duty in
regard to the collection of the revenue to do and perform each and
every act that is necessary to collect that additional sum.

101435. Notwithstanding Section 13340 of the Government
Code, there is hereby appropriated from the General Fund in the
State Treasury, for the purposes of this chapter, an amount that
equals the total of the following:
(a) The sum annually necessary to pay the principal of, and
interest on, bonds issued and sold pursuant to this chapter, as the
principal and interest become due and payable.
(b) The sum necessary to carry out Section 101438, appropriated
without regard to fiscal years.

101436. The State Allocation Board may request the Pooled
Money Investment Board to make a loan from the Pooled Money
Investment Account or any other approved form of interim
financing, in accordance with Section 16312 of the Government
Code, for the purpose of carrying out this chapter. The amount of
the request shall not exceed the amount of the unsold bonds that
the committee, by resolution, has authorized to be sold for the
purpose of carrying out this chapter excluding any refunding bonds
authorized pursuant to Section 101440. The State Allocation Board
shall execute any documents required by the Pooled Money
Investment Board to obtain and repay the loan. Any amounts
loaned shall be deposited in the fund to be allocated by the State
Allocation Board in accordance with this chapter.

101437. Notwithstanding any other provision of this chapter,
or of the State General Obligation Bond Law, if the Treasurer sells
bonds pursuant to this chapter that include a bond counsel opinion
to the effect that the interest on the bonds is excluded from gross
income for federal tax purposes under designated conditions or is
otherwise entitled to any federal tax advantage, the Treasurer may
maintain separate accounts for the investment of bond proceeds
and for the investment earnings on those proceeds. The Treasurer
may use or direct the use of those proceeds or earnings to pay any
rebate, penalty, or other payment required under federal law or
take any other action with respect to the investment and use of
those bond proceeds required or desirable under federal law to
maintain the tax-exempt status of those bonds and to obtain any
other advantage under federal law on behalf of the funds of this
state.

101438. For purposes of carrying out this chapter, the Director
of Finance may authorize the withdrawal from the General Fund
of an amount not to exceed the amount of the unsold bonds,
excluding any refunding bonds authorized pursuant to Section
101440, that have been authorized by the State School Building
Finance Committee to be sold for the purpose of carrying out this
chapter. Any amounts withdrawn shall be deposited in the 2020
State School Facilities Fund consistent with this chapter. Any
money made available under this section shall be returned to the
General Fund, plus an amount equal to the interest that the money
would have earned in the Pooled Money Investment Account, from
proceeds received from the sale of bonds for purposes of carrying
out this chapter.

101439. All moneys deposited in the 2020 State School
Facilities Fund that are derived from premium and accrued interest
on bonds sold pursuant to this chapter shall be reserved in the fund
and shall be available for transfer to the General Fund as a credit
to expenditures for bond interest, except those amounts derived
from premium may be reserved and used to pay the cost of the
bond issuance before any transfer to the General Fund.

101440. The bonds issued and sold pursuant to this chapter
may be refunded in accordance with Article 6 (commencing with
Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
the Government Code, which is a part of the State General
Obligation Bond Law. Approval by the voters of the state for the
issuance of the bonds described in this chapter includes the
approval of the issuance of any bonds issued to refund any bonds
originally issued under this chapter or any previously issued
refunding bonds. Any bond refunded with the proceeds of
refunding bonds as authorized by this section may be legally
defeased to the extent permitted by law in the manner and to the
extent set forth in the resolution, as amended from time to time,
authorizing that refunded bond.

101441. The proceeds from the sale of bonds authorized by
this chapter are not “proceeds of taxes” as that term is used in
Article XIII B of the California Constitution, and the disbursement
of these proceeds is not subject to the limitations imposed by that
article.

Chapter 3. California Community College Facilities


101442. (a) The 2020 California Community College Capital
Outlay Bond Fund is hereby established in the State Treasury for
deposit of funds from the proceeds of bonds issued and sold for
the purposes of this chapter.
(b) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the California Community Colleges.

Article 2. California Community College Program Provisions

101443. (a) From the proceeds of bonds issued and sold pursuant to Article 3 (commencing with Section 101444), the sum of ____ dollars ($____) shall be deposited in the 2020 California Community College Capital Outlay Bond Fund for purposes of this article. When appropriated, these funds shall be available for expenditure for purposes of this article.

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

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


101444. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101410), bonds in the total amount of ____ dollars ($____), not including the amount of any refunding bonds issued in accordance with Section 101449, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.
(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.

101444.5. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all acts amendatory thereof and supplementary thereto, are hereby incorporated into this chapter as though set forth in full within this chapter, except that subdivisions (a) and (b) of Section 16727 of the Government Code shall not apply to the bonds authorized by this chapter.

(b) For purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2020 Community College Capital Outlay Bond Fund is designated as the “board” for projects funded pursuant to this chapter.

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

101445. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the related apportionments for the purposes described in this chapter that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine by resolution whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

101445.5. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in
regard to the collection of the revenue to do and perform each and
every act that is necessary to collect that additional sum.

101446. Notwithstanding Section 13340 of the Government
Code, there is hereby appropriated from the General Fund in the
State Treasury, for the purposes of this chapter, an amount that
equals the total of the following:

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

(b) The sum necessary to carry out Section 101447.5,
appropriated without regard to fiscal years.

101446.5. The board, as defined in subdivision (b) of Section
101444.5, may request the Pooled Money Investment Board to
make a loan from the Pooled Money Investment Account or any
other approved form of interim financing, in accordance with
Section 16312 of the Government Code, for the purpose of carrying
out this chapter. The amount of the request shall not exceed the
amount of the unsold bonds that the Higher Education Facilities
Finance Committee, by resolution, has authorized to be sold for
the purpose of carrying out this chapter excluding any refunding
bonds authorized pursuant to Section 101449. The board, as defined
in subdivision (b) of Section 101444.5, shall execute any
documents required by the Pooled Money Investment Board to
obtain and repay the loan. Any amounts loaned shall be deposited
in the fund to be allocated by the board in accordance with this
chapter.

101447. Notwithstanding any other provision of this chapter,
or of the State General Obligation Bond Law, if the Treasurer sells
bonds pursuant to this chapter that include a bond counsel opinion
to the effect that the interest on the bonds is excluded from gross
income for federal tax purposes under designated conditions or is
otherwise entitled to any federal tax advantage, the Treasurer may
maintain separate accounts for the investment of bond proceeds
and for the investment earnings on those proceeds. The Treasurer
may use or direct the use of those proceeds or earnings to pay any
rebate, penalty, or other payment required under federal law or
take any other action with respect to the investment and use of
those bond proceeds required or desirable under federal law to
maintain the tax-exempt status of those bonds and to obtain any
other advantage under federal law on behalf of the funds of this
state.
101447.5. (a) For purposes of carrying out this chapter, the
Director of Finance may authorize the withdrawal from the General
Fund of an amount not to exceed the amount of the unsold bonds,
excluding any refunding bonds authorized pursuant to Section
101449, that have been authorized by the Higher Education
Facilities Finance Committee to be sold for the purpose of carrying
out this chapter. Any amounts withdrawn shall be deposited in the
2020 California Community College Capital Outlay Bond Fund
consistent with this chapter. Any money made available under this
section shall be returned to the General Fund, plus an amount equal
to the interest that the money would have earned in the Pooled
Money Investment Account, from proceeds received from the sale
of bonds for purposes of carrying out this chapter.
(b) Any request forwarded to the Legislature and the Department
of Finance for funds from this bond issue for expenditure for the
purposes described in this chapter by the California Community
Colleges shall be accompanied by the five-year capital outlay plan
that reflects the needs and priorities of the community college
system and is prioritized on a statewide basis. Requests shall
include a schedule that prioritizes the seismic retrofitting needed
to significantly reduce, in the judgment of the particular college,
seismic hazards in buildings identified as high priority by the
college.
101448. All moneys deposited in the 2020 California
Community College Capital Outlay Bond Fund that are derived
from premium and accrued interest on bonds sold pursuant to this
chapter shall be reserved in the fund and shall be available for
transfer to the General Fund as a credit to expenditures for bond
interest, except those amounts derived from premium may be
reserved and used to pay the cost of the bond issuance before any
transfer to the General Fund.
101449. The bonds issued and sold pursuant to this chapter
may be refunded in accordance with Article 6 (commencing with
Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
the Government Code, which is a part of the State General
Obligation Bond Law. Approval by the voters of the state for the
issuance of the bonds described in this chapter includes the
approval of the issuance of any bonds issued to refund any bonds
originally issued under this chapter or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

101449.5. The proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 4.

SEC. II. Part 72 (commencing with Section 101610) is added to Division 14 of Title 3 of the Education Code, to read:

PART 72. KINDERGARTEN-COMMUNITY COLLEGE PUBLIC EDUCATION FACILITIES BOND ACT OF 2022

Chapter 1. General Provisions

101610. This part shall be known, and may be cited, as the Kindergarten-Community College Public Education Facilities Bond Act of 2022.

101612. Bonds in the total amount of ____ dollars ($____), not including the amount of any refunding bonds issued in accordance with Sections 101640 and 101649, or so much thereof as is necessary, may be issued and sold for the purposes set forth in Sections 101630 and 101644. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.
Chapter 2. Kindergarten-Grade 12

Article 1. Kindergarten-Grade 12 School Facilities Program

Provisions

101620. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 2022 State School Facilities Fund established in the State Treasury under Section 17070.42, and shall be allocated by the State Allocation Board pursuant to this chapter.

101621. All moneys deposited in the 2022 State School Facilities Fund for the purposes of this chapter shall be available to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), as it reads on____, 2022, to provide funds to repay any money advanced or loaned to the 2022 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.


101630. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101610), bonds in the amount of ____ dollars ($____) not including the amount of any refunding bonds issued in accordance with Section 101640, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established pursuant to Section 15909 at any different times necessary to service expenditures required by the apportionments.
101631. The State School Building Finance Committee, established by Section 15909 and composed of the Governor, the Controller, the Treasurer, the Director of Finance, and the Superintendent, or their designated representatives, all of whom shall serve thereon without compensation, and a majority of whom shall constitute a quorum, is continued in existence for the purpose of this chapter. The Treasurer shall serve as chairperson of the committee. Two Members of the Senate appointed by the Senate Committee on Rules, and two Members of the Assembly appointed by the Speaker of the Assembly, shall meet with and provide advice to the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and, as that committee, shall have the powers granted to, and duties imposed upon, those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide assistance to the committee as it may require. The Attorney General is the legal adviser of the committee.

101632. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all acts amendatory thereof and supplementary thereto, are hereby incorporated into this chapter as though set forth in full within this chapter, except that subdivisions (a) and (b) of Section 16727 of the Government Code shall not apply to the bonds authorized by this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the “board” for purposes of administering the 2022 State School Facilities Fund.

101633. (a) Upon request of the State Allocation Board, the State School Building Finance Committee shall determine by resolution whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the related apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.
(b) A request of the State Allocation Board pursuant to subdivision (a) shall be supported by a statement of the apportionments made and to be made for the purposes described in Section 101621.

101634. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

101635. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that equals the total of the following:

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

(b) The sum necessary to carry out Section 101638, appropriated without regard to fiscal years.

101636. The State Allocation Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter excluding any refunding bonds authorized pursuant to Section 101640. The State Allocation Board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the State Allocation Board in accordance with this chapter.

101637. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds
and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

101638. For purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds, excluding any refunding bonds authorized pursuant to Section 101640, that have been authorized by the State School Building Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2022 State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for purposes of carrying out this chapter.

101639. All moneys deposited in the 2022 State School Facilities Fund that are derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except those amounts derived from premium may be reserved and used to pay the cost of the bond issuance before any transfer to the General Fund.

101640. The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the
extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

101641. The proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

Chapter 3. California Community College Facilities


101642. (a) The 2022 California Community College Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

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

Article 2. California Community College Program Provisions

101643. (a) From the proceeds of bonds issued and sold pursuant to Article 3 (commencing with Section 101644), the sum of ____ dollars ($____) shall be deposited in the 2022 California Community College Capital Outlay Bond Fund for purposes of this article. When appropriated, these funds shall be available for expenditure for purposes of this article.

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

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


101644. (a) Of the total amount of bonds authorized to be
issued and sold pursuant to Chapter 1 (commencing with Section
101610), bonds in the total amount of ____ dollars ($____), not
including the amount of any refunding bonds issued in accordance
with Section 101649, or so much thereof as is necessary, may be
issued and sold to provide a fund to be used for carrying out the
purposes expressed in this chapter and to reimburse the General
Obligation Bond Expense Revolving Fund pursuant to Section
16724.5 of the Government Code.

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

101644.5. (a) The bonds authorized by this chapter shall be
prepared, executed, issued, sold, paid, and redeemed as provided
in the State General Obligation Bond Law (Chapter 4 (commencing
with Section 16720) of Part 3 of Division 4 of Title 2 of the
Government Code), and all acts amendatory thereof and
supplementary thereto, are hereby incorporated into this chapter
as though set forth in full within this chapter, except that
subdivisions (a) and (b) of Section 16727 of the Government Code
shall not apply to the bonds authorized by this chapter.

(b) For purposes of the State General Obligation Bond Law,
each state agency administering an appropriation of the 2022
Community College Capital Outlay Bond Fund is designated as
the “board” for projects funded pursuant to this chapter.

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

101645. The Higher Education Facilities Finance Committee
established pursuant to Section 67353 shall authorize the issuance
of bonds under this chapter only to the extent necessary to fund
the related apportionments for the purposes described in this
chapter that are expressly authorized by the Legislature in the
annual Budget Act. Pursuant to that legislative direction, the
committee shall determine by resolution whether or not it is
necessary or desirable to issue bonds authorized pursuant to this
chapter in order to carry out the purposes described in this chapter
and, if so, the amount of bonds to be issued and sold. Successive
issues of bonds may be authorized and sold to carry out those
actions progressively, and it is not necessary that all of the bonds
authorized to be issued be sold at any one time.

101645.5. There shall be collected each year and in the same
manner and at the same time as other state revenue is collected,
in addition to the ordinary revenues of the state, a sum in an amount
required to pay the principal of, and interest on, the bonds each
year. It is the duty of all officers charged by law with any duty in
regard to the collection of the revenue to do and perform each and
every act that is necessary to collect that additional sum.

101646. Notwithstanding Section 13340 of the Government
Code, there is hereby appropriated from the General Fund in the
State Treasury, for the purposes of this chapter, an amount that
equals the total of the following:

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

(b) The sum necessary to carry out Section 101647.5,
appropriated without regard to fiscal years.

101646.5. The board, as defined in subdivision (b) of Section
101644.5, may request the Pooled Money Investment Board to
make a loan from the Pooled Money Investment Account or any
other approved form of interim financing, in accordance with
Section 16312 of the Government Code, for the purpose of carrying
out this chapter. The amount of the request shall not exceed the
amount of the unsold bonds that the Higher Education Facilities
Finance Committee, by resolution, has authorized to be sold for
the purpose of carrying out this chapter excluding any refunding
bonds authorized pursuant to Section 101649. The board, as defined
in subdivision (b) of Section 101644.5, shall execute any
documents required by the Pooled Money Investment Board to
obtain and repay the loan. Any amounts loaned shall be deposited
in the fund to be allocated by the board in accordance with this chapter.

101647. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

101647.5. (a) For purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds, excluding any refunding bonds authorized pursuant to Section 101649, that have been authorized by the Higher Education Facilities Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2022 California Community College Capital Outlay Bond Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for purposes of carrying out this chapter.

(b) Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in this chapter by the California Community Colleges shall be accompanied by the five-year capital outlay plan that reflects the needs and priorities of the community college system and is prioritized on a statewide basis. Requests shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, in the judgment of the particular college, seismic hazards in buildings identified as high priority by the college.
All moneys deposited in the 2022 California Community College Capital Outlay Bond Fund that are derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except those amounts derived from premium may be reserved and used to pay the cost of the bond issuance before any transfer to the General Fund.

The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

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

SEC. 5. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 6. Sections 1 and 3 of this act shall take effect upon the adoption by the voters of the Kindergarten-Community College Public Education Facilities Bond Act of 2020, as set forth in Section 3 of this act.

SEC. 7. Section 3 of this act shall be submitted to the voters at the ______, 2020, statewide ______ March 3, 2020, statewide primary election.
SEC. 8.  
SEC. 15. Sections 2 and 4 11 of this act shall take effect upon the adoption by the voters of the Kindergarten-Community College Public Education Facilities Bond Act of 2022, as set forth in Section 4 11 of this act.
SEC. 9.  
SEC. 16. Section 4 11 of this act shall be submitted to the voters at the , 2022, statewide November 8, 2022, statewide general election.