ASSEMBLY BILL

No. 48

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

December 3, 2018

An act to amend Sections 17070.25, 17070.50, 17071.75, 17074.25, 17075.15, 17077.40, and 17077.42 of, to add Sections 17070.415, 17070.42, 17073.16, 17074.265, and 17075.20 to, to add Article 10.7 (commencing with Section 17077.60), Article 11.5 (commencing with Section 17078.40), and Article 11.7 (commencing with Section 17078.45) 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 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.

(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 add provisions to the act to require the Department of General Services to process, and present to the State Allocation Board, all applications received under the act on and after July 1, 2020, within 120 days of receipt of the application. The bill would require applicants for bond funding to supply designated information to the State Department of Education. The bill would authorize school districts to receive a supplemental grant to expand an existing, or construct a new, gymnasium, multipurpose room, library, or school kitchen under specified conditions.

The 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, for construction and modernization of preschool facilities at local educational agencies, 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.

(2) The California Constitution prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of $300,000, except by an act that (A) authorizes the debt for a single object or work specified in the act, (B) has been passed by a 2/3 vote of all the Members elected to each house of the Legislature, (C) has been submitted to the people at a statewide
general or primary election, and (D) has received a majority of all the votes cast for and against it at that election.

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 $13,000,000,000 and an unspecified amount of funds, respectively, to construct and modernize education facilities, as specified. These respective bond acts would become operative only if approved by the voters at the March 3, 2020, statewide primary election and the November 8, 2022, statewide general election, respectively. The bill would also provide for the submission of the bond acts to the voters at those elections.

The bill would require the Board of Governors of the California Community Colleges to review and evaluate applications for capital outlay allocations of funds made available for community college facilities pursuant to those bond acts. The bill would require the board of governors to annually prepare a capital outlay spending plan for recommended expenditures of funds pursuant to those bond acts.


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

SECTION 1. Section 17070.25 of the Education Code is amended to read:

17070.25. The department shall first publish applications for funding under this chapter by November 4, 1998, and shall be prepared to receive and expeditiously act upon applications on and after that date. All applications received on and after July 1, 2020, under this chapter shall be processed by the department within 90 days of receipt of the application and presented to the board within 120 days of receipt of the application.

SECTION 1.

SEC. 2. 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. 4. Section 17070.50 of the Education Code is amended to read:

17070.50. (a) The board shall not apportion funds to any school district, unless the applicant school district has certified to the board that the services of any architect, structural engineer, or other design professional for any work under the project have been
obtained pursuant to a competitive process that is consistent with
the requirements of Chapter 10 (commencing with Section 4525)
of Division 5 of Title 1 of the Government Code and has obtained
the written approval of the State Department of Education that the
site selection, and the building plans and specifications, comply
with the standards adopted by the department pursuant to
subdivisions (b) and (c), respectively, of Section 17251.

(b) For projects funded with bonds approved by voters after
January 1, 2020, an applicant shall submit the following
information to the State Department of Education once for each
school in the school district:

(1) The year each building at the school currently used for
instructional purposes was constructed.

(2) The square footage of each building that is currently used
for instructional purposes.

(3) The year, if any, each building that is currently used for
instructional purposes was last modernized.

(4) The pupil capacity of the school.

(5) The age and number of portable buildings at the school.

(6) Whether the school has any of the following:

(A) A cafeteria or multipurpose room.

(B) A library.

(C) A gymnasium.

SEC. 5. Section 17071.75 of the Education Code is amended
to read:

17071.75. After a one-time initial report of existing school
building capacity has been completed, the ongoing eligibility of a
school district for new construction funding shall be determined
by making all of the following calculations:

(a) A school district that applies to receive funding for new
construction shall use the following methods to determine projected
enrollment:

(1) A school district that has two or more schoolsites each with
a pupil population density that is greater than 115 pupils per acre
in kindergarten and grades 1 to 6, inclusive, or a schoolsite pupil
population density that is greater than 90 pupils per acre in grades
7 to 12, inclusive, as determined by the Superintendent using
enrollment data from the California Basic Educational Data System
for the 2004–05 school year, may submit an application for funding
for projects that will relieve overcrowded conditions. That school
district may also submit an alternative enrollment projection for
the fifth year beyond the fiscal year in which the application is
made using a methodology other than the cohort survival
enrollment projection method, as defined by the board
pursuant to paragraph (2), to be reviewed by the Demographic
Research Unit of the Department of Finance, in consultation with
the department and the Office of Public School Construction. If
the Office of Public School Construction and the Demographic
Research Unit of the Department of Finance jointly determine that
the alternative enrollment projection provides a reasonable estimate
of expected enrollment demand, a recommendation shall be
forwarded to the board to approve or disapprove the application,
in accordance with all of the following:
   (A) Total funding for new construction projects using this
method shall be limited to five hundred million dollars
($500,000,000), from the Kindergarten-University Public Education
   (B) The eligibility amount for proposed projects that relieve
overcrowding is the difference between the alternative enrollment
projection method for the year the application is submitted and the
cohort survival enrollment projection method, as defined by
paragraph (2), for the same year, adjusted by the existing pupil
capacity in excess of the projected enrollment according to the
cohort survival enrollment projection method.
   (C) The Office of Public School Construction shall determine
whether each proposed project will relieve overcrowding,
including, but not limited to, the elimination of the use of Concept
6 calendars, four track year-round calendars, or busing in excess
of 40 minutes, and recommend approval to the board. The number
of unhoused pupil grants requested in the application for funding
from the eligibility determined pursuant to this paragraph shall be
limited to the number of seats necessary to relieve overcrowding,
including, but not limited to, the elimination of the use of Concept
6 calendars, four track year-round calendars, or busing in excess
of 40 minutes, less the number of unhoused pupil grants attributed
to that school as a source school in an approved application
pursuant to Section 17078.24.
   (D) A school district shall use the same alternative enrollment
projection methodology for all applications submitted pursuant to
this paragraph and shall calculate those projections in accordance
with the same districtwide or high school attendance area used for
the enrollment projection made pursuant to paragraph (2).

(2) A school district shall calculate enrollment projections for
the fifth year beyond the fiscal year in which the application is
made. Projected enrollment shall be determined by utilizing using
the cohort survival enrollment projection system, as defined and
approved by the board. The board may supplement the cohort
survival enrollment projection with any of the following:

(A) The number of unhoused pupils that are anticipated as a
result of dwelling units proposed pursuant to approved and valid
tentative subdivision maps.

(B) Modified weighting mechanisms, if the board determines
that they best represent the enrollment trends of the district.
Mechanisms pursuant to this subparagraph shall be developed and
applied in consultation with the Demographic Research Unit of
the Department of Finance.

(C) An adjustment to reflect the effects on kindergarten and
first grade enrollment of changes in birth rates within the school
district or high school attendance area boundaries.

(3) (A) A school district may submit an enrollment projection
for either a 5th year or a 10th year beyond the fiscal year in which
the application is made. A school district that bases its enrollment
projection calculation on a high school attendance area may use
pupil residence in that attendance area to calculate enrollment. A
school district that utilizes uses pupil residence shall do so for all
high school attendance areas within the district. A pupil shall not
be included in a high school attendance area enrollment projection
based on pupil residence unless that pupil was included in the
California Basic Educational Data System (CBEDS) report of the
district for the same enrollment year. The board may require a
district to provide a reconciliation of the districtwide CBEDS and
residency data. The board also may adopt regulations to specify
the format and certification requirements for a school district that
submits residency data.

(b) (1) Add the number of pupils that may be adequately housed
in the existing school building capacity of the applicant school
district as determined pursuant to Article 2 (commencing with
Section 17071.10) to the number of pupils for whom facilities were
provided from any state or local funding source after the existing
school building capacity was determined pursuant to Article 2
(commencing with Section 17071.10). For this purpose, the total
number of pupils for whom facilities were provided shall be
determined using the pupil loading formula set forth in Section
17071.25.

(2) Subtract from the number of pupils calculated in paragraph
(1) the number of pupils that were housed in facilities to which
the school district or county office of education relinquished title
as the result of a transfer of a special education program between
a school district and a county office of education or special
education local plan area, if applicable. For this purpose, the total
number of pupils that were housed in the facilities to which title
was relinquished shall be determined using the pupil loading
formula adopted by the board pursuant to subparagraph (B) of
paragraph (2) of subdivision (a) of Section 17071.25. For purposes
of this paragraph, title also includes any lease interest with a
duration of greater than five years.

(c) Subtract the number of pupils pursuant to subdivision (b)
from the number of pupils determined pursuant to paragraph (2)
of subdivision (a).

(d) The calculations required to establish eligibility under this
article shall result in a distinction between the number of existing
unhoused pupils and the number of projected unhoused pupils.

(e) Apply the increase or decrease resulting from the difference
between the most recent report made pursuant to Section 42268,
former Section 42268 as it read on June 30, 2013, and the report
used in determining the baseline capacity of the school district
pursuant to subdivision (a) of Section 17071.25.

(f) For purposes of calculating projected enrollment pursuant
to subdivision (a), the board may adopt regulations to ensure that
the enrollment calculation of individuals with exceptional needs
receiving special education services is adjusted in the enrollment
reporting period in which the transfer occurs and three previous
school years as a result of a transfer of a special education program
between a school district and a county office of education or a
special education local plan area. However, the projected
enrollment calculation of a county office of education shall only
be adjusted if a transfer of title for the special education program
facilities has occurred. The regulations, if adopted, shall ensure
that if a transfer of title to special education program facilities
constructed with state funds occurs within 10 years after initial
occupancy of the facility, the receiving school district or school
districts shall remit to the state a proportionate share of any
financial hardship assistance provided for the project pursuant to
Section 17075.10, if applicable.

(g) For a school district with an enrollment of 2,500 or less, an
adjustment in enrollment projections shall not result in a loss of
ongoing eligibility to that school district for a period of three
five
years from the date of the approval of eligibility by the board.

SEC. 6. Section 17073.16 is added to the Education Code, to
read:

17073.16. (a) A school district eligible for funding pursuant
to this article may receive a supplemental grant for either of the
following:

1 Expanding an existing gymnasium, multipurpose room,
library, or school kitchen, if the facility is 60 percent or less than
the department’s recommended size needed to serve the enrollment
of the school.

2 Constructing a new gymnasium, multipurpose room, library,
or school kitchen if the site is lacking one or more of the specified
facilities.

(b) A site may receive a supplemental grant for only one project
described in subdivision (a).

(c) The funding provided under this section shall be in addition
to any other funding provided pursuant to this article.

(d) The board, in consultation with the Superintendent, shall
develop regulations implementing this section.

SEC. 7. Section 17074.25 of the Education Code is amended
to read:

17074.25. (a) A modernization apportionment may be used
for an improvement to extend the useful life of, or to enhance the
physical environment of, the school. The improvement may only
include the cost of design, engineering, testing, inspection, plan
checking, construction management, demolition, construction, the
replacement of portable classrooms, necessary utility costs, utility
connection and other fees, the purchase and installation of
air-conditioning equipment and insulation materials and related
costs, furniture and equipment, including telecommunication
equipment to increase school security, fire safety improvements,
playground safety improvements, the identification, assessment,
or abatement of hazardous asbestos, seismic safety improvements,
and the upgrading of electrical systems or the wiring or cabling of
classrooms in order to accommodate educational technology. A
modernization grant may not be used for costs associated with
acquisition and development of real property or for routine
maintenance and repair.
(b) A modernization apportionment may also be used for the
cost of designs and materials that promote the efficient use of
energy and water, the maximum use of natural lighting and indoor
air quality, the use of recycled materials and materials that emit a
minimum of toxic substances, the use of acoustics conducive to
teaching and learning, and other characteristics of
high-performance schools.
(c) (1) A modernization apportionment may be used to limit
pupil exposure to harmful air pollutants by updating air filtration
systems.
(2) (A) This subdivision is declaratory of existing law.
(B) It is the intent of the Legislature in enacting the act amending
this section in the 2017–18 Regular Session to encourage school
districts to add air filtration systems to applications for
modernization apportionments when air pollution occasionally or
regularly exceeds levels known to be harmful to public health.
(d) Notwithstanding any other provision of this article, a school
district that is apportioned funds pursuant to Section 17073.16
shall use the supplemental grant for expanding an existing, or
constructing a new, gymnasium, multipurpose room, library, or
school kitchen.
SEC. 3.
SEC. 8. 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 school site 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

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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.

SEC. 9. 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 ten million dollars ($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.
SEC. 10. 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 described 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) (1) Grants provided pursuant to this section shall not affect the applicant’s eligibility for any other program under this chapter.  
(2) Notwithstanding paragraph (1), portable classrooms purchased pursuant to subdivision (a) shall be included in the determination of eligibility for new construction funding pursuant to Section 17071.75.

(e) The board may provide any other assistance to school districts or county offices of education determined by the board to be impacted by a natural disaster as described in subdivision (a).

SEC. 6.  
SEC. 11. 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 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, 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, 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.

SEC. 12. 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 school 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) 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.

SEC. 13. 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) (1) 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, that were constructed before January 1, 2010, and for the remediation of any water fountain or faucet with lead levels in excess of 15 parts per billion.

(2) The board shall release disbursements to school districts with approved applications for purposes of this article, to the extent state funds are available for a 60-percent share, and the school district has provided a 40-percent local match. Subject to the availability of funds, the board shall apportion funds to an eligible school district only upon review of evidence that the required 40-percent matching funds from local sources have been expended by the school district for the project, have been deposited in the county fund, or will be expended by the district by the time of completion of the project, and upon review of evidence that the district has entered into a binding contract for the completion of that project.

(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, except water fountains and faucets that have been tested or replaced since January 1, 2010.

(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.

SEC. 14. 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 2,500 or less.

(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.

17078.40. As used in this article, the following definitions apply:

(a) “Final apportionment” has the same meaning as “apportionment” as set forth in subdivision (a) of Section 17070.15.

(b) “Preliminary application” means an application for a preliminary apportionment pursuant to this article.

(c) “Preliminary apportionment” means a reservation of bond authority for eligible applicants under this article in advance of
full compliance with all of the application requirements otherwise required for an apportionment pursuant to this chapter.

(d) “Project and construction management grant” means a grant for purposes of obtaining the services of a project manager or construction manager, or both, to assist with the planning, site acquisition, preconstruction, construction, and closeout of a project.

(e) “Small school district” is a school district, as defined in Section 17070.15, with an enrollment of fewer than 2,501 pupils.

17078.41. (a) Unless this article expressly provides otherwise, the provisions contained in the other articles of this chapter shall apply with equal force to a project funded under this article. This article shall control over the provisions of this chapter contained in other articles only to the extent that this article expressly conflicts with those provisions.

(b) This article shall apply only to a small school district that is otherwise eligible under this chapter for a project that meets both of the following:

(1) The project meets the criteria set forth in subdivision (a) of Section 17078.42.

(2) The project is to be funded from proceeds of state bonds approved by the voters at the March 3, 2020, statewide primary election that shall not exceed the amounts made available pursuant to subdivisions (a) and (b) of Section 101422.

17078.42. Notwithstanding subdivision (a) of Section 17072.30 and subdivision (a) of Section 17074.16, as applicable:

(a) Applicants for funding pursuant to this article shall do both of the following:

(1) Submit preliminary applications to the board.

(2) Meet the eligibility requirements calculated pursuant to Article 3 (commencing with Section 17071.75) and Article 6 (commencing with Section 17073.10), as applicable.

(b) The board shall do both of the following:

(1) Accept a preliminary application from, and make a preliminary apportionment to, a small school district for new construction grants pursuant to Article 4 (commencing with Section 17072.10) or modernization grants pursuant to Article 7 (commencing with Section 17074.10) in a manner substantially identical to the preliminary apportionment requirements established in Section 17078.24, except that the eligibility of the
applicant shall be based on the criteria established in paragraph (2) of subdivision (a) of this section.

(2) If requested, provide a preliminary apportionment of a project and construction management grant equal to 5 percent of the state share of the preliminary apportionment.

17078.43. The board shall adopt regulations setting forth all of the following:

(a) The preliminary application and preliminary apportionment.
(b) The apportionment of design grants, project assistance grants pursuant to subdivision (e) of Section 17072.10 and subdivision (e) of Section 17074.10, as applicable, and project and construction management grants to applicants that qualify for financial hardship assistance pursuant to subparagraph (B) of paragraph (1) of subdivision (b) of Section 17075.10, as part of the preliminary apportionment.
(c) The existence of substantial progress requirements on apportionments for design and site grants identical to the requirements set forth in Section 1859.105 of Title 5 of the California Code of Regulations.
(d) The requirements for a final apportionment for the project in a manner substantially identical to the requirements of subdivisions (a) and (b) of Section 17078.25.

SECE. 10.

SEC. 15. Article 11.7 (commencing with Section 17078.45) is added to Chapter 12.5 of Part 10 of Division 1 of Title 1 of the Education Code, to read:

Article 11.7. Preschool Facilities at Local Educational Agencies
Grant Program

17078.45. (a) With funds made available for this purpose, the board shall provide a grant for the construction of new preschool classrooms, or the modernization of existing classrooms, for preschool programs at local educational agencies pursuant to this article.
(b) For purposes of this article, the following definitions apply:
(1) “Classroom” means a preschool classroom used or proposed to be used for instructional purposes in a preschool program.
(2) “Local educational agency” means a school district or county office of education.
“Preschool program” means a program operated under contract with the State Department of Education or the federal government.

“Preschool age children” means three- or four-year-old children as defined in Section 8208.

“Site” means the project site for which the local educational agency is applying for grants under this article.

17078.46. (a) A local educational agency with an existing contract, or whose governing board has passed a resolution stating the intent to operate a preschool program, shall be eligible to apply for grants under this article, including a local educational agency that subcontracts out the administration of the preschool program to a community-based provider.

(b) A local educational agency shall be eligible to apply for a modernization grant under this article for an existing classroom, inclusive of outdoor play areas and equipment, that requires renovation to comply with all of the following requirements:

(1) The Field Act, as set forth in Article 3 (commencing with Section 17280) and Article 6 (commencing with Section 17365) of Chapter 3 of Part 10.5, and Article 7 (commencing with Section 81130) of Chapter 1 of Part 49 of Division 7 of Title 3.

(2) The California Building Standards Code, as set forth in Title 24 of the California Code of Regulations.

(3) The regulations for childcare and development programs set forth in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.

(c) A local educational agency shall be eligible to apply for a new construction grant under this article to build a new classroom, inclusive of outdoor play areas and equipment, if it demonstrates that current or projected enrollment in the preschool program exceeds the current preschool program classroom capacity at the site. A local educational agency shall use both of the following to demonstrate enrollment for purposes of determining eligibility:

(1) The most recent childcare needs assessment conducted by its regional local planning council for preschool age children.

(2) In addition to the needs assessment in paragraph (1), a local educational agency with a current contract with the department or federal government to operate a preschool program may use the three-year average of the preschool program enrollment growth.
rate, or, if the program has been operating for less than three years, the average annual growth rate.

(d) Classrooms constructed under this article shall not be deemed existing school building capacity, pursuant to Article 2 (commencing with Section 17071.10), of a local educational agency for purposes of participating in other programs under this chapter.

17078.47. (a) The department shall award local educational agencies determined to be eligible for funding under this article up to three hundred thousand dollars ($300,000) per classroom for each new classroom and up to one hundred fifteen thousand dollars ($115,000) per classroom to renovate each existing classroom included in the project application.

(b) As part of the appropriation for this article, grantees may apply and receive funding for additional and supplemental grants that are provided for new construction and modernization projects under this chapter.

(c) The grant amounts provided in subdivisions (a) and (b) shall be adjusted annually to reflect construction cost changes, as set forth in the statewide cost index for class B construction.

(d) (1) Local educational agencies that receive grants under this article shall provide a local match, adjusted annually pursuant to subdivision (c).

(2) Notwithstanding paragraph (1), local educational agencies may also apply for and be eligible to receive financial hardship assistance pursuant to Article 8 (commencing with Section 17075.10).

(e) The board shall establish regulations, in consultation with the department and stakeholders, to establish priorities for funding if the amount requested exceeds funds made available for this purpose.

17078.48. (a) Grants awarded under this article shall be used to modernize or construct new preschool classrooms, inclusive of outdoor play areas and equipment, that comply with all of the following requirements:

(1) The Field Act, as set forth in Article 3 (commencing with Section 17280) and Article 6 (commencing with Section 17365) of Chapter 3 of Part 10.5, and Article 7 (commencing with Section 81130) of Chapter 1 of Part 49 of Division 7 of Title 3.

(2) The California Building Standards Code, as set forth in Title 24 of the California Code of Regulations.
(3) The regulations for childcare and development programs set forth in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.

17078.49. As part of a project audit required pursuant to this chapter, the Office of Public School Construction shall verify that a local educational agency that receives funding under this article has a contract or application with the State Department of Education or the federal government to operate a preschool program.

SEC. 11.

SEC. 16. Chapter 9 (commencing with Section 82700) is added to Part 49 of Division 7 of Title 3 of the Education Code, to read:

Chapter 9. Community College Construction Act of 2020

82700. It is the intent of the Legislature to provide capital outlay allocations for projects to construct, renovate, reconstruct, and equip community college facilities.

82701. (a) The Board of Governors of the California Community Colleges shall review and evaluate applications for capital outlay allocations submitted pursuant to Part 71 (commencing with Section 101410) and Part 72 (commencing with Section 101610) of Division 14. On an annual basis, the Board of Governors of the California Community Colleges shall prepare a capital outlay spending plan to provide recommendations for available funding in the annual Budget Act using the following guidelines for funding priorities:

(1) Up to 50 percent of available bond proceeds annually for projects to address all of the following:

(A) (i) Life-safety issues.

(ii) The Board of Governors of the California Community Colleges shall define “life-safety” for purposes of this chapter.

(B) Equipment to complete projects that previously received a state apportionment for construction.

(C) Projects to address seismic deficiencies.

(D) Infrastructure projects, when failure or loss would otherwise result.
(2) After identifying recommendations pursuant to paragraph (1), the remaining available funds shall be recommended for capital outlay allocations as follows:

(A) Fifty percent of remaining funds to projects for the growth of instructional space, based on a site’s need for space and projected enrollment growth over the next five years.

(B) Twenty-five percent of remaining funds to projects for the modernization, renovation, or repair of instructional space, based on the age and condition of existing facilities or infrastructure.

(C) Fifteen percent of remaining funds to projects to promote a complete campus concept, for either reconstruction of existing space or construction of new space.

(D) Five percent of remaining funds to projects for the growth of instructional support space, based on a site’s need for space and projected enrollment growth over the next five years.

(E) Five percent of remaining funds to projects for the modernization, renovation, or repair of instructional support space, based on the age and condition of existing facilities or infrastructure.

(b) Funds expended by a community college district for preliminary plans and working drawings for a project for which the community college district receives a state allocation may be counted toward the community college district’s local share of funding for the project. An expenditure for these purposes may take place before the community college district receives a state allocation for preliminary plans and working drawings.

(c) It is the intent of the Legislature to review and consider the capital outlay spending plan described in subdivision (a) when determining community college capital outlay appropriations of bond proceeds pursuant to Part 71 (commencing with Section 101410) and Part 72 (commencing with Section 101610) of Division 14 in the annual Budget Act.

SEC. 17.

SEC. 17. 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 thirteen billion dollars ($13,000,000,000), 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


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. Of the amount allocated under this subdivision, up to 10 percent shall be available to small school districts pursuant to Article 11.5 (commencing with Section 17078.40) of Chapter 12.5 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. Of the amount allocated under this subdivision, up to 10 percent shall be available to small school districts pursuant to Article 11.5 (commencing with Section 17078.40) of Chapter 12.5 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.

(f) The amount of ____ dollars ($____) for preschool facilities at local educational agencies pursuant to Article 11.7 (commencing with Section 17078.45) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

(g) 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.

(h) 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 and subject to the recommendations made pursuant to Chapter 9 (commencing with Section 82700) of Part 49 of Division 7.

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, subject to the recommendations made pursuant to Chapter 9 (commencing with Section 82700) of Part 49 of Division 7. 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. 13.
SEC. 18. 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 and subject to the recommendations made pursuant to Chapter 9 (commencing with Section 82700) of Part 49 of Division 7.

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, subject to the recommendations made pursuant
to Chapter 9 (commencing with Section 82700) of Part 49 of
Division 7. 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.
101648. 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.

101649. 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.

101649.5. 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. 14. 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. 15. Section 16 of this act shall take effect upon the adoption by the voters of either the Kindergarten-Community College Public Education Facilities Bond Act of 2020, as set forth in Section 17 of this act, or the Kindergarten-Community College Public Education Facilities Bond Act of 2022, as set forth in Section 18 of this act.
SEC. 16.
SEC. 21. Sections 1 and 2 and 17 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 12 17 of this act.
SEC. 17.
SEC. 22. Section 12 17 of this act shall be submitted to the voters at the March 3, 2020, statewide primary election.
SEC. 18.
SEC. 23. Sections 2 and 3 and 18 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 13 18 of this act.
SEC. 19.
SEC. 24. Section 13 18 of this act shall be submitted to the voters at the November 8, 2022, statewide general election.