AMENDED IN ASSEMBLY JANUARY 28, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL
No. 48

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

December 3, 2018

An act to add Sections 17070.415 and 17070.42 to, 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 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


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 state the intent of the Legislature to enact legislation that would create the Kindergarten-Community Colleges Public Education Facilities Bond Acts of 2020 and 2022, and as state general obligation bond acts that would provide unspecified amounts of funds to construct and modernize education facilities, to as specified.
These respective bond acts would become operative only if approved by the voters at unspecified 2020 and 2022 elections, and to 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:

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. 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.


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 thereto 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 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. 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) 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.

Article 2. Kindergarten-Grade 12 School Facilities Fiscal
Provisions

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.
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.

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.

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.

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. 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 ___ election.

SEC. 8. Sections 2 and 4 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 of this act.

SEC. 9. Section 4 of this act shall be submitted to the voters at the _____. 2022, statewide _____. election.

SECTION 1. It is the intent of the Legislature to enact legislation that would create the Kindergarten-Community Colleges Public Education Facilities Bond Acts of 2020 and 2022, to become operative only if approved by the voters at the 2020 and 2022 _____. elections, and to provide for the submission of the bond acts to the voters at those elections. It is also the intent of the Legislature that the bond acts, if approved by the voters at those elections, would provide for the issuance of _____. ($_____.) of state general obligation bonds to provide aid to school districts, county superintendents of schools, county boards of education, and the California Community Colleges, to construct and modernize education facilities.