

1952

SCHOOL BONDS

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Part I—Arguments

SCHOOL BONDS. ASSEMBLY CONSTITUTIONAL AMENDMENT NO. 3.

Adds Section 16.5 to Article XVI of Constitution. Directs issuance and sale of \$185,000,000 of State bonds for purpose of providing loans and grants to school districts of State. Authorizes Legislature to provide for issuance and sale of bonds. Makes bond proceeds available for expenses of bond issuance, for administration of loans and grants, and for repayment of money appropriated from General Fund. Provides that allocation of funds to school districts and their obligation to repay commensurate with ability be regulated by Legislature. Declares State policy regarding public school sites and buildings.

YES

NO

24

(For Full Text of Measure, See Page 1, Part II)

Analysis by the Legislative Counsel *

This constitutional amendment would authorize a \$185,000,000 bond issue for loans and grants to school districts and for repayment of the money appropriated for state school building aid from the General Fund by Chapter 26 of the 1952 Second Extraordinary Session.

It would authorize the Legislature to provide the procedure for issuing and redeeming the bonds, and to pass any laws, general or special, necessary or convenient for carrying out the provisions of the amendment.

The amendment would authorize the enactment of laws by the Legislature to carry out its provisions and to provide for the allocation of funds by the State Allocation Board or a similar agency. If provision is made for allocation by such agency, it would grant Members of the Legislature required to meet with the board equal rights and duties with the nonlegislative members to vote and act upon matters pending before the board.

The amendment provides that the Legislature shall require districts receiving an allocation of money from the bonds to repay it to the State on such terms and in such amounts as may be within the ability of the district.

The Legislature at the 1952 Second Extraordinary Session adopted Chapter 27 prescribing a formula for the allocation of state aid money and for the determination of the ability to repay and the amounts of repayment.

At the same session it also adopted Chapter 28, providing for the issuing of state school building bonds in such sums as to make \$20,000,000 available for school building construction on May 5, 1953, and \$5,000,000 each month thereafter, but not to exceed \$165,000,000 in all. This chapter also provides for the issuance of not more than \$20,000,000 of bonds to repay to the General Fund so much of the amount appropriated from that fund by Chapter 26 as may be needed to provide a surplus of \$5,000,000 in the General Fund on June 30, 1953.

Argument in Favor of Assembly Constitutional Amendment No. 3

The California Legislature, without a single dissenting vote, presents here for a YES vote by the electorate as Proposition 24, Assembly Constitutional Amendment No. 3, proposing a bond issue of \$185,000,000 to provide for school house construction.

The Senate and Assembly of California, called into Special Session by the Governor in August 1952 to consider the school housing crisis, were faced with certain

startling conditions indicating that continued State aid in meeting the school housing shortage was a compelling educational necessity.

California's school, and pre-school age population has continued to increase at record rates since the last State school bond issue was voted by the people in 1949. Rising costs of construction have added to the problem of relieving the shortage of needed school buildings. Based on an attendance of 35 pupils per room, the shortage that exists right now totals 13,151 classrooms! During this school term, more than one-third of all the school children in California are being denied the right of equal educational opportunities because of overcrowded and makeshift classrooms.

A comprehensive study by the State Department of Education revealed that \$198,000,000 above and beyond the legal ability of the local school districts to provide would be needed by *October 1952*, a date which will have passed when this measure is voted on by the electorate. Approximately 1,000, or nearly half the school districts in the State cannot provide enough school buildings to meet their *October 1952* needs even though they vote local bonds to the capacity of their resources, unless they can secure help from the State. This does not take into consideration the certain growth in school population which is sure to continue for several years. A bond issue of \$185,000,000 is therefore extremely conservative.

The Legislature has already enacted certain laws governing the allocation of State aid for school buildings, including the following provisions.

(1) To qualify for a loan from the State a school district must have voted local bonds to 95 percent of its bonding ability.

(2) Borrowing districts financially able to do so must repay the money to the State. Terms of thirty or forty years for repayment are provided.

(3) No money can be borrowed by a local school board unless the proposed loan is approved by a two-thirds vote of the electors of the district, voting in an election held for that purpose.

(4) School construction, financed in any part by State loans will be subjected to cost controls to be established by the Allocations Board. Restrictions on the number of square feet of construction allowed per pupil are continued.

California has never failed to respond to the educational needs of its children. Overcrowded, makeshift classrooms, half day sessions are forcing a lamentable "watering-down" of educational opportunity at a time when we need to develop to the utmost those precious human resources which have made America great. We have every confidence that the people of California will

* Section 1500.7 of the Elections Code requires the Legislative Counsel to prepare an impartial analysis of each measure appearing upon the ballot.

join its Legislature's call to action, and will VOTE YES on Proposition 24.

HUGH P. DONNELLY

Senator 22nd District

Chairman, Senate Committee on Education

ROBERT C. KIRKWOOD

Assemblyman, 28th District

Chairman, Subcommittee on Public School

Finance, Assembly Ways and Means
Committee

FRANCIS DUNN, JR.

Assemblyman, 13th District

Chairman, Assembly Committee on Edu-
cation

**Argument Against Assembly Constitutional
Amendment No. 3**

PROPOSITION NO. 24 increases the bonded indebtedness of California by One Hundred and Eighty Five Million Dollars. The State now has a bonded debt of Three Hundred Forty-four Million and Three Hundred Thousand Dollars. In order to care for the mini-

num needs of the State of California, the most conservative estimates reveal it would require a bond issue of Two Hundred Fifty Million Dollars. Certainly the State of California would do no less than provide the minimum requirements. Piecemeal legislation is bad at best. Writing into the Constitution extraneous subjects has been a pastime of Californians for years and this ballot is no exception.

PROPOSITION NO. 24, however, is a warranted exception because it is a loaning of the credit of the State of California. The many arguments that could be presented against writing into the Constitution legislation that should be handled by the Legislature in this instance would not be entirely applicable, but certainly if we are to authorize an additional bonded indebtedness, it should be in an amount sufficient to take care of the minimum needs and One Hundred Eighty Five Million is not sufficient for that purpose.

For this reason and this reason alone, it merits a NO vote.

VOTE NO ON PROPOSITION NO. 24.

SAM L. COLLINS

END OF ARGUMENTS

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Part II—Appendix

**SCHOOL BONDS. ASSEMBLY CONSTITUTIONAL AMEND-
 MENT NO. 3.**

Adds Section 16.5 to Article XVI of Constitution. Directs issuance and sale of \$185,000,000 of State bonds for purpose of providing loans and grants to school districts of State. Authorizes Legislature to provide for issuance and sale of bonds. Makes bond proceeds available for expenses of bond issuance, for administration of loans and grants, and for repayment of money appropriated from General Fund. Provides that allocation of funds to school districts and their obligation to repay commensurate with ability be regulated by Legislature. Declares State policy regarding public school sites and buildings.

24

YES

NO

(This proposed amendment does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Sec. 16.5. Bonds of the State of California shall be prepared, issued, and sold in the amount of one hundred eighty-five million dollars (\$185,000,000), in such denominations, to be numbered, to bear such dates, and to bear such rate of interest as shall be determined by the Legislature.

The proceeds of such bonds shall be used:

(a) To provide loans and grants to the several school districts of the State, subject to such legislation, rules, or regulations as the Legislature may, from time to time determine.

(b) To pay the expenses that may be incurred in preparing, advertising, issuing, and selling the bonds, and in administering and directing the expenditure of the moneys realized from the sale of such bonds.

(c) To repay, as provided by law, the money appropriated from the General Fund at the 1952 Second Extraordinary Session for state school building aid.

The issuance, signing, countersigning, endorsing, and selling of the bonds herein provided for, and the interest coupons thereon, the place and method of payment of principal and interest thereon, the procedure for initiating, advertising and holding sales

thereof, and the performance by the several state boards and state officers of their respective duties in connection therewith; and all other provisions, terms, and conditions relating to the bonds, shall be as provided by the Legislature.

The Legislature shall pass all laws, general or special, necessary or convenient to carry into effect the provisions of this section. Such laws may provide for the allocation of funds to school districts pursuant to this section by the State Allocations Board or a similar agency, and in that event, notwithstanding any other provision of this Constitution, Members of the Legislature who are required to meet with such board shall have equal rights and duties with the nonlegislative members to vote and act upon matters pending before such board.

The Legislature shall require each district receiving an allocation of money from the sale of bonds pursuant to this section to repay such money to the State on such terms and in such amounts as may be within the ability of the district to repay.

The people of the State of California in adopting this section hereby declare that it is in the interests of the State and of the people thereof for the State to aid school districts of the State in providing necessary and adequate school sites and buildings for the pupils of the Public School System, such system being a matter of general concern inasmuch as the education of the children of the State is an obligation and function of the State.

END