

1972

## BONDS TO PROVIDE PUBLIC COMMUNITY COLLEGE FACILITIES

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**FOR BONDS TO PROVIDE PUBLIC COMMUNITY COLLEGE FACILITIES.**  
(This act provides for a bond issue of one hundred sixty million dollars (\$160,000,000).)

**AGAINST BONDS TO PROVIDE PUBLIC COMMUNITY COLLEGE FACILITIES.** (This act provides for a bond issue of one hundred sixty million dollars (\$160,000,000).)

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

**General Analysis by the Legislative Counsel \***

A "Yes" vote (a vote FOR BONDS) is a vote to authorize the issuance and sale of state bonds up to \$160,000,000 to provide funds for the major building construction, and for equipment and site acquisition needs, of California public community colleges.

A "No" vote (a vote AGAINST BONDS) is a vote to refuse to authorize the issuance and sale of state bonds for these purposes.

For further details, see below.

**Detailed Analysis by the  
Legislative Counsel \***

This act, the Community College Construction Program Bond Act of 1972, would authorize the issuance and sale of state bonds in an amount not to exceed \$160,000,000. Money from the sale of the bonds, in amounts to be determined by the Legislature, is to be used for major building construction, acquisition of equipment, and acquisition of sites, for public community colleges under the Community College Construction Act of 1967 or under any act enacted to succeed such act.

The act provides that the bonds, when sold, are to be general obligations of the state for the payment of which the full faith and credit of the state is pledged. It appropriates from the General Fund in the State Treasury the amount necessary to make the principal and interest payments on the bonds as they become due.

Money from the sale of the bonds could be expended only for the purposes specified in this act as set forth above and only pursuant to appropriation by the Legislature. The office of the Chancellor of the California Community Colleges would be required to total the appropriations made by the Legislature each year and to request the Community College Construction Program Committee, consisting of the Governor, the State Controller, the State Treasurer, the Director of Finance, and the Chancellor of the California Community Colleges, to have sufficient bonds issued and sold to carry out projects for which appropriations were made.

Section 3566 of the Elections Code requires the Legislative Counsel to prepare an impartial analysis of each ballot measure.

**Cost Analysis by the Legislative Analyst †**

This act allows the state to borrow \$160 million to be used by public community college districts to buy land, construct buildings, and acquire necessary equipment. These funds are to be borrowed through the sale of general obligation bonds which pledge the full faith and credit of the state.

This is a continuation of state assistance to public community colleges to meet their growth requirements. In 1961 and 1962 the Legislature appropriated a total of \$10 million to community colleges for capital outlay purposes. Since then, community college capital outlay money has come from general obligation bond issues. To date, this bond money plus local money provided under a sharing formula has totaled \$135 million. The formula provides that the state's share may range from 10 percent to more than 90 percent depending upon the community college district's needs and its ability to pay. In the event federal money is available, it is used before the state-local sharing formula is applied.

In June 1968, the voters approved a bond issue of \$65 million for community college capital outlays. By 1971 this \$65 million had been spent. Together with federal funds and the money provided by the local districts, the \$65 million resulted in approximately \$150 million worth of community college construction.

If this bond act is approved, \$44,037,401 of it will be spent for construction projects contained in the 1972-73 state budget act. This will represent approximately 57 percent of construction costs budgeted in this year; the balance will come from federal contributions and district money. Officials of the California Community Colleges estimate that the \$160 million provided by this bond act will be fully committed to authorized community college outlay projects by July 1, 1975.

The interest cost of these bonds will depend upon their maturity date and the interest rate, neither of which is known at this time. However, the average interest rate on the sale of the 1968 bonds was 4.8 percent.

† Section 3566.3 of the Elections Code requires the Legislative Analyst to prepare an impartial financial analysis of each ballot measure.

**Argument in Favor of Proposition 1**

Nearly one million students are in California's 95 Community Colleges now, and it is estimated that there will be more than a million before 1975. Official projections by the Community Colleges Chancellor's Office and the State Department of Finance show the need for Community College campus construction programs totaling some \$303.5 million in the next three years.

State bond matching funds for Community College buildings are exhausted, and without additional state bonds the only financing for Community College construction would be local property taxes.

Approval of the bond act will enable Community College districts to construct educational facilities necessary to accommodate 80,000 more full-time equivalent students. The funds will be expended only if warranted by student enrollment growth.

Today, over half of the students enrolled in California public and private institutions of higher education are in attendance at public Community Colleges. Of \$450 million invested in buildings on Community College campuses in the past 15 years, only \$145 million have come from State funds, and facilities for Community Colleges are built at comparatively low cost per student. Bond funds cannot be used for matching district funds to build dormitories and student unions, to pay salaries or purchase supplies. These bond funds represent the least expensive means of financing other than through a direct tax. State bonds ordinarily have an amortization period of 20 to 25 years and have been sold in recent issues at between 4.7 and 5 percent.

Many benefits derive from the investment in Community College facilities. They offer high school graduates educational programs

in vocational and technical skills which are valuable in serving the employment needs of the local job market. They provide opportunity for young people to complete first two years of higher education, while residing at home, and to enter the University or a State College with junior standing. Adults desiring new vocational skills or to improve their vocational and technical skills are able to utilize the Community Colleges to great advantage. In addition, the Community Colleges offer communities the means to train welfare recipients in skills necessary for employment.

Each college is designed to serve the educational requirements of the local community and to relate its educational programs to the curricula of the secondary schools and of the state's institutions of higher education.

Californians have, through positive action, created a system of Community Colleges unequalled in the United States and, as a consequence, greatly increased the opportunity for youth to achieve post-high school education. There is no question that the Community Colleges have proved to be a sound educational investment for California citizens and taxpayers. It is clear that approval of the bond act is necessary to protect the state's Community College investment. It is also necessary if the state is to meet its commitment to provide state matching funds for community college construction.

The bond act passed both houses of the Legislature without a dissenting vote. It was approved by Governor Reagan. **VOTE YES.**

**ROBERT J. LAGOMARSINO**  
State Senator, 24th District  
**ALBERT S. RODDA**  
State Senator, 5th District

**FOR BONDS TO PROVIDE HEALTH SCIENCE FACILITIES.** (This act provides for a bond issue of one hundred fifty-five million nine hundred thousand dollars (\$155,900,000).)

**AGAINST BONDS TO PROVIDE HEALTH SCIENCE FACILITIES.** (This act provides for a bond issue of one hundred fifty-five million nine hundred thousand dollars (\$155,900,000).)

(For Full Text of Measure, See Page 2, Part II)

**General Analysis by the Legislative Counsel**

A "Yes" vote (a vote FOR BONDS) is a vote to authorize the issuance and sale of state bonds up to \$155,900,000 to provide funds for construction, equipment, and site acquisition for health science facilities at the University of California.

A "No" vote (a vote AGAINST BONDS) is a vote against authorizing the issuance and sale of state bonds for this purpose.

For further details, see below.

(Detailed analysis on page 7, column 1)

**Cost Analysis by the Legislative Analyst**

This proposition would authorize the state to borrow \$155,900,000 through the sale of general obligation bonds to provide funds to expand, develop and construct health sciences facilities on a number of campuses of the University of California. The proceeds of these bonds would be deposited in a special fund reserved solely for these uses and funds would not be expended without specific legislative appropriations.

(Continued on page 7, column 2)

**BONDS TO PROVIDE PUBLIC COMMUNITY COLLEGE FACILITIES.**  
(This act provides for a bond issue of one hundred sixty million dollars (\$160,000,000).)

**AGAINST BONDS TO PROVIDE PUBLIC COMMUNITY COLLEGE FACILITIES.** (This act provides for a bond issue of one hundred sixty million dollars (\$160,000,000).)

This law proposed by SB 168 (Ch. 937), by act of the Legislature passed at the 1971 Regular Session, is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

(This proposed law does not expressly amend any existing law; therefore, the provisions thereof are printed in **BOLDFACE TYPE** to indicate that they are **NEW**.)

**PROPOSED LAW**

**Section 1.** Sections 1 to 10, inclusive, of this act shall be known and may be cited as the **Community College Construction Program Bond Act of 1972.**

**Sec. 2.** The purpose of this act is to provide the necessary funds to meet the major building construction, equipment and site acquisition needs of California public community colleges.

For the purposes of this act, "public community colleges" includes public junior college public community colleges, and any other public colleges which are maintained and operated as public community colleges or public junior colleges.

Proceeds of the bonds authorized to be issued under this act, in an amount or amounts which the Legislature shall determine, shall be used for major building construction, acquisition of equipment and acquisition of sites for California public community colleges under the Community College Construction Act of 1967 (Chapter 19 (commencing with Section 20050) of Division 14 of the Education Code), as it may be amended from time to time, or under any act enacted to succeed the Community College Construction Act of 1967.

**Sec. 3.** Bonds in the total amount of one hundred sixty million dollars (\$160,000,000), 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 Section 2 of this act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Government Code Section 16724.5. Said bonds shall be known and designated as Community College Construction Program bonds and, 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 are hereby pledged for the punctual payment of both principal and interest

on said bonds as said principal and interest become due and payable.

**Sec. 4.** There shall be collected each year and in the same manner and at the same time as other state revenue is collected, such sum in addition to the ordinary revenues of the state as shall be required to pay the principal and interest on said bonds maturing in said year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue to do and perform each and every act which shall be necessary to collect such additional sum.

**Sec. 5.** There is hereby appropriated from the General Fund in the State Treasury for the purpose of this act, such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal and interest on bonds issued and sold pursuant to the provisions of this act, as said principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 8 of this act, which sum is appropriated without regard to fiscal years.

**Sec. 6.** The proceeds of bonds issued and sold pursuant to this act, together with interest earned thereon, if any, shall be deposited in the State Construction Program Fund. The money so deposited in the fund shall be reserved and allocated solely for expenditure for the purposes specified in this act and only pursuant to appropriation by the Legislature.

**Sec. 7.** The office of the Chancellor of the California Community Colleges, which is hereby designated as the board for the purposes of this act, shall annually total the appropriations referred to in Section 6 and, pursuant to Section 16730 of the Government Code, request the Community College Construction Program Committee to cause bonds to be issued and sold in quantities sufficient to carry out the projects for which such appropriations were made.

**Sec. 8.** For the purposes of carrying out the provisions of this act the office of the Chancellor of the California Community Colleges may request the Director of Finance by executive order to authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which have been authorized

to be sold for the purpose of carrying out this act. Any amounts withdrawn shall be deposited in the State Construction Program Fund, and shall be reserved, allocated for expenditure, and expended as specified in Section 6 of this act. Any moneys made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this act, together with interest at the rate of interest fixed in the bonds so sold.

Sec. 9. The bonds authorized by this act 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 of the provisions of said Code are applicable to said bonds and to this act, and are hereby incorporated in this act as though set forth in full herein.

Sec. 10. The Community College Construction Program Committee is hereby created. The committee shall consist of the Governor, the State Controller, the State Treasurer, the Director of Finance, and the Chancellor of the California Community Colleges. For the purposes of this act the Community College Construction Program Committee shall be "the committee" as that term is used in the State General Obligation Bond Law.

**2 FOR BONDS TO PROVIDE HEALTH SCIENCE FACILITIES.** (This act provides for a bond issue of one hundred fifty-five million nine hundred thousand dollars (\$155,900,000).)

**AGAINST BONDS TO PROVIDE HEALTH SCIENCE FACILITIES.** (This act provides for a bond issue of one hundred fifty-five million nine hundred thousand dollars (\$155,900,000).)

This law proposed by SB 281 (Ch. 665), by act of the Legislature passed at the 1971 Regular Session (as amended by SB 220 (Ch. 152) and AB 589 (Ch. 470), passed at the 1972 Regular Session), is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

(This proposed law does not expressly amend any existing law; therefore, the provisions thereof are printed in **BOLDFACE TYPE** to indicate that they are **NEW**.)

**PROPOSED LAW**

Section 1. It is the intention of the Legislature in adopting this act to increase to the maximum extent possible the output of health professionals, the training of new categories of health personnel, the production of new knowledge on the prevention and care of disease, the efficiency of health care delivery systems, and the utilization of available federal funds, and, in so doing, to thereby minimize the cost of meeting the health care needs of the people of California.

Sec. 2. This act shall be known and may be cited as the Health Science Facilities Construction Program Bond Act of 1971.

Sec. 3. The purpose of this act is to provide the necessary funds to meet the construction, equipment, and site acquisition needs of the state for purposes of providing health science facilities at the University of California.

Proceeds of the bonds authorized to be issued under this act, in an amount or amounts which the Legislature shall determine, shall be used for the construction, equipment, and site acquisition of health science facilities at the University of California as are approved and authorized by the Legislature.

Sec. 4. Bonds in the total amount of one hundred fifty-five million nine hundred thou-

sand dollars (\$155,900,000), 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 Section 3 of this act, and to be used to reimburse the General Obligation Bond Expense Revenue Fund pursuant to Government Code Section 16724.5. Said bonds shall be known and designated as 1971 Health Science Facilities Construction Program Bonds and, 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 both principal and interest on said bonds as said principal and interest become due and payable.

Sec. 5. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, such sum in addition to the ordinary revenues of the state as shall be required to pay the principal and interest on said bonds maturing in said year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue to do and perform each and every act which shall be necessary to collect such additional sum.

Sec. 6. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this act, such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal and interest on bonds issued and sold pursuant to the provisions of this act, as said principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 9 of this act, which sum is appropriated without regard to fiscal years.