

1990

SCHOOL FACILITIES BOND ACT OF 1990

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146

School Facilities Bond Act of 1990

Official Title and Summary

SCHOOL FACILITIES BOND ACT OF 1990

- This act provides for a bond issue of eight hundred million dollars (\$800,000,000) to provide capital outlay for construction or improvement of public schools.
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Final Votes Cast by the Legislature on AB 236 (Proposition 146)

Assembly: Ayes 67	Senate: Ayes 35
Noes 3	Noes 2

Analysis by the Legislative Analyst

Background

The State School Building Lease-Purchase Program provides much of the money used by local public school districts to buy land and construct, reconstruct, or modernize school buildings. In order to receive money under this program, school districts must (1) meet certain eligibility requirements and (2) contribute matching funds. School districts can provide their matching funds from any revenue source available to them. The amount of the required match, however, is based on the maximum amount of fees which school districts can collect from developers (as discussed below). In recent years, the local match has paid for about 15 percent of the total cost of projects funded through the state program.

Under other related programs, the state also provides money to (1) abate hazardous asbestos in school buildings, (2) purchase portable classrooms, (3) repair and renovate child care facilities which provide care for school-aged children before and after school hours and during summer vacation, and (4) purchase and install air conditioning equipment and insulation materials in eligible year-round schools.

In addition to obtaining money from the state, school districts raise funds for school buildings in two other ways. These are:

1. *Local General Obligation Bonds.* School districts are generally authorized to sell bonds to finance school construction projects, with the approval of two-thirds of their voters. However, if the bonds will be used to repair or replace public school buildings that are structurally unsafe for school use, districts need the approval of only a majority of their voters. School districts also are authorized to form "special districts" within their boundaries and sell school construction bonds, subject to the approval of two-thirds of the voters within the special district. In all of these cases, the bonds are paid off by a tax levied upon the real property located within the school district or the special district.

2. *Developer Fees.* School districts are authorized to impose developer fees on new construction. Currently, the maximum fee is \$1.58 per square foot on residential buildings, and 26 cents per square foot on commercial or industrial buildings. These fees can be used only for construction and reconstruction of school buildings.

School Building Needs. The total number of additional school buildings needed to meet current and projected enrollment in the state is not known. As of August 1990, however, applications submitted by school districts for state funding of land and new school buildings totaled approximately \$5 billion. In addition, applications for state funding to reconstruct or modernize school buildings totaled approximately \$1.1 billion. In contrast, there was about \$840 million in state money available to fund these requests.

Proposal

This measure authorizes the state to sell \$800 million in general obligation bonds to pay for (1) the construction, reconstruction, or modernization of elementary and secondary school buildings under the State School Building Lease-Purchase Program and (2) other school facility projects. General obligation bonds are backed by the state, meaning that the state is obligated to pay the principal and interest costs on these bonds. General Fund revenues would be used to pay these costs. These revenues come primarily from the state personal income and corporate taxes and the state sales tax.

The money raised from the bond sales would be distributed to school districts by the State Allocation Board. The board is a seven-member body composed of four members of the Legislature, two directors of state departments, and the Superintendent of Public Instruction.

This measure would require the board to use the bond proceeds as follows:

- At least \$500 million to buy land and construct *new* school buildings. The measure limits the state's contribution to the cost of buying the land for any one project to \$2,250,000 per acre.
- \$40 million to purchase and install air conditioning equipment and insulation materials for eligible school districts with year-round school programs.
- The remaining \$260 million for new construction projects or for one or more of the following purposes: (1) reconstruction or modernization of *existing* school buildings, (2) school construction projects in small school districts that may not otherwise receive funding under the state building program because of their small size, (3) abatement of hazardous asbestos in school buildings, (4) purchase of portable classrooms, and (5) minor renovation and repair of child care facilities.

The measure also provides that if, by June 30, 1991, applications for air conditioning equipment and insulation materials are less than the \$40 million allocated for this purpose, then the extra amount may be used for one or more of the five purposes listed above.

Fiscal Effect

Direct Costs of Paying Off the Bonds. For these types of bonds, the state typically would make principal and interest payments from the state's General Fund over a period of about 20 years. If all of the bonds authorized by this measure are sold at an interest rate of 7.5 percent, the cost would be about \$1.4 billion to pay off both the principal (\$800 million) and interest (about \$630 million). The average payment for principal and interest would be about \$60 million per year.

For text of Proposition 146 see page 57

Argument in Favor of Proposition 146

ONE MILLION NEW STUDENTS
IN NEXT FIVE YEARS

California's school age population is growing faster than at any time in our state's history. Next year more than 200,000 new students will enter our public schools. **OVER THE NEXT 5 YEARS OUR SCHOOL POPULATION WILL GROW BY ONE MILLION STUDENTS.**

Housing these new students means building an average of 15 classrooms a day, seven days a week, 52 weeks a year!

OVERCROWDING HURTS LEARNING

Our schools are improving. Test scores are up and students are taking more challenging courses than ever before. But this progress is threatened by the explosion in school enrollment.

WITHOUT ENOUGH CLASSROOMS, CLASS SIZES WILL INCREASE, SCHOOLS WILL BE FORCED ONTO DOUBLE SESSIONS, AND THE LEARNING ENVIRONMENT WILL DETERIORATE.

BONDS ARE COST-EFFECTIVE

Proposition 146 will provide classrooms for our new students through the sale of general obligation bonds. School districts are prohibited from using lottery funds for school construction.

Using bonds to pay for new schools is a safe and financially sound California tradition. These bonds allow the state to pay for school construction at the lowest possible cost **WITHOUT RAISING TAXES.**

Bond funding is a fair deal for taxpayers. It is the same, cost-effective financing method used by private industry to fund capital outlay or by individuals to purchase a home.

STATEWIDE BENEFIT

Proposition 146 will help schools throughout California. In addition to the construction of new schools, Proposition 146 will help pay for:

- Schools that are safe and earthquake-resistant.
- The identification and removal of hazardous asbestos from school buildings.
- The repair and modernization of older California schools—one out of three school buildings in California is more than 30 years old.
- Air conditioning for schools in communities that choose to operate on year-round schedules.
- Child care facilities to help working parents.

OTHER BOND FUNDS DEPLETED

California voters wisely approved similar school bond measures in the past. But with the incredible growth in school enrollment, those funds have already been used.

COMMITMENT TO OUR CHILDREN

A good education is the most precious gift we can give our children. Your "YES" vote on Proposition 146 will help assure that this education is not hurt by the serious overcrowding that is facing our schools.

**PLEASE, JOIN US IN VOTING "YES"
ON PROPOSITION 146.**

DIANNE FEINSTEIN

PETE WILSON

U.S. Senator

STEVE CLUTE

Member of the Assembly, 68th District

Rebuttal to Argument in Favor of Proposition 146

The proponents of this measure, standard bearers of the two major parties, exhibit a dearth of creative leadership, offering no solution to rising enrollments other than throwing more money at the problem. They ignore the possibility of shifting as much as half of our public school enrollment into private schools through a voucher system. Other states, Minnesota and Wisconsin, recognizing the stifling effect of the monopoly of education by the local public school, have offered parents a choice of schools through variations of the voucher system. If California parents had a choice, most inner-city families would choose some alternative: private, parochial, or home schooling. Many mothers would be glad to remain at home to teach their own children and their neighbors' children in their own home if they could be paid through vouchers.

The proponents claim that "These bonds allow the state to pay for school construction . . . without raising taxes." These bonds, when sold, will require \$72 million annually for payment of principal and interest. The state Legislature last summer struggled to balance the budget, ending up by increasing some taxes and heavily cutting health, welfare, and aid to counties. Where will the state get \$72 million per year to pay off these bonds? There are only two possibilities, raise taxes or further cuts in human services. To say that these bonds will not raise taxes, while not an outright lie, is a glib deception.

VOTE NO ON PROPOSITION 146!

WILLIAM McCORD, M.S.W.

President, Citizens United on Taxes of Alameda County

Argument Against Proposition 146

The voters have already approved bonds for school construction each election:

November, 1986 — \$800,000,000
 June, 1988 — \$800,000,000
 November, 1988 — \$800,000,000
 June, 1990 — \$800,000,000

Currently, over \$2 billion of these bonds already approved by the voters have not even been issued. Why are we being asked to approve more bonds?

There is no money in the state budget for payments of principal and interest on more state bonds. With debt service of \$832 million in 1990/91 for bonds already sold there was a deficit of \$3 billion in the state budget for this year. To close the gap the Legislature had to cut health, welfare, and aid to counties. The counties, in turn, have cut social services and are now charging cities for collection of property taxes, jail bookings by city police, and other services, upsetting city budgets. Issuing more bonds would only heighten the crises at all levels, state, county, and city, forcing further cuts in services or tax increases or both.

Yet the Legislature, having just finished cutting the budget, has now put on the ballot a total of \$3 billion more in state bonds. Why? Because legislators are politicians catering to the votes of every special interest bloc of voters. Legislators can "do something" for each group by deficit financing through bonds, postponing costs to future budgets when the costs will be even higher because of the interest on the bonds, forcing even deeper cuts in other programs.

What alternative do we have? The best choice would be a voucher system of education. The state now provides funds averaging about \$3800 per pupil to local school districts. Instead of sending this money to the school districts send a voucher for \$3800 to the parents, good for tuition at any accredited school, public or private. Parochial schools in inner-cities such as Chicago and Washington, D.C., do a better job than the public schools. In Chicago 46% of the public school teachers living in the city send *their* children to private schools. In a Gallup poll in 1986 parents of children in public schools were asked "If you had the means would you send any of your children to a private or church-related school?" 49% said yes. It is clear that public schools would not need to construct any additional classrooms if parents had a choice.

There are additional ways to reduce the need for more classrooms: year-round schools; family planning including counseling, contraceptives, and abortion; and restriction of immigration by using the U.S. Army to patrol our borders and stop the flood of illegal aliens.

Bond financing is wasteful, almost doubling the cost. Bonds are a short-sighted solution, only postponing the fiscal crisis. Bonds are unnecessary when a voucher system would shift a large portion of pupils into private schools at no additional cost to the taxpayers.

Vote NO on the School Facilities Bond Act.

WILLIAM McCORD, M.S.W.

President, Citizens United on Taxes of Alameda County

Rebuttal to Argument Against Proposition 146

BOTH DIANNE FEINSTEIN AND PETE WILSON SUPPORT PROPOSITION 146. WHY?

Because over one million NEW students will enter California schools in the next five years. We need new schools for these new students.

SCHOOLS MUST BE EARTHQUAKE SAFE

The opposition proposes using private schools. **BUT PRIVATE SCHOOLS ARE NOT REQUIRED TO MEET EARTHQUAKE SAFETY STANDARDS.** Schools built by Proposition 146 will be earthquake safe.

SCHOOLS ARE AN INVESTMENT IN OUR FUTURE

Overcrowded and makeshift classrooms threaten the quality of our children's education. Schools and education are an investment in the future for our state.

MUCH-NEEDED SCHOOLS BUILT WITHOUT RAISING TAXES

Passage of Proposition 146 conforms to the letter and spirit of the Gann spending limit and provides needed

revenue without raising taxes. School bonds continue to be the cheapest and most fair way of funding school construction.

OUR KIDS CAN'T AFFORD TO WAIT

All previously approved school bond funds have been spent. Yet, there is still a long list of school districts which desperately need classrooms.

Without passage of Proposition 146 the crisis in school facilities will only get worse, and cost more.

VOTE YES FOR OUR KIDS

VOTE YES FOR SCHOOLS

VOTE YES ON PROPOSITION 146

DOROTHY LEONARD

President, California State PTA

BILL HONIG

State Superintendent of Public Instruction

SENATOR BILL LEONARD

Chairman, Senate Republican Caucus

proceeds required or desirable under federal law so as 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.

53512. The Legislature hereby finds and declares that, inasmuch as

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

Proposition 146: Text of Proposed Law

This law proposed by Assembly Bill 236 (Statutes of 1990, Ch. 578) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law adds sections to the Education Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Chapter 21.3 (commencing with Section 17650) is added to Part 10 of the Education Code, to read:

CHAPTER 21.3. SCHOOL FACILITIES BOND ACT OF 1990

Article 1. General Provisions

17650. This chapter shall be known and may be cited as the School Facilities Bond Act of 1990.

17650.10. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the State School Building Finance Committee created pursuant to Section 15909.

(b) "Fund" means the State School Building Lease-Purchase Fund.

Article 2. Program Provisions

17650.15. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the fund.

17650.20. All moneys deposited in the fund shall be available to provide aid to school districts of the state in accordance with the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)), and of all acts amendatory thereof and supplementary thereto, to provide aid to school districts of the state in accordance with Section 17650.30, to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase 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.

17650.25. (a) With respect to the proceeds of bonds to be expended under this chapter for the purposes of Chapter 22 (commencing with Section 17700), all provisions of Chapter 22 (commencing with Section 17700) shall apply.

(b) As to any project that is funded, in whole or in part, from the proceeds of bonds to be expended under this chapter for the purposes of Chapter 22 (commencing with Section 17700), the state's portion of land costs paid from the proceeds of bonds authorized under this chapter shall not exceed two million two hundred fifty thousand dollars (\$2,250,000) per acre, per project.

17650.30. (a) Of the proceeds from the sale of bonds pursuant to this chapter, not more than two hundred sixty million dollars (\$260,000,000) may be used for one or more of the following purposes:

(1) Project funding for applicant districts under Chapter 22 (commencing with Section 17700) that are eligible for that funding, but that lack funding priority due to the size of pupil enrollment in the district.

(2) The identification, assessment, or abatement of hazardous asbestos in school facilities, pursuant to either Chapter 22 (commencing with Section 17700) or Section 39619.6.

(3) The acquisition of portable classrooms for use in accordance with Chapter 25 (commencing with Section 17785).

(4) The reconstruction or modernization of facilities within the meaning of Chapter 22 (commencing with Section 17700).

(5) The funding of child care facilities pursuant to Section 8477.

(b) Of the proceeds from the sale of bonds pursuant to this chapter, forty million dollars (\$40,000,000) shall be used for the purchase and installation of air-conditioning equipment and insulation materials, and related costs, pursuant to Section 42250.1 for schools operated on a year-round multitrack schedule in a manner that increases school capacity and reduces or eliminates the district's need for the construction of additional classroom space.

(c) Notwithstanding subdivision (b), in the event the board determines that the amount made available under that subdivision exceeds the amount necessary to fund the qualified recipients of the apportionment authorized under that subdivision, as indicated by those applications for that funding received by the board on or before June 30, 1991, the board may expend any portion of that excess for any one or more of the purposes described in subdivision (a).

Article 3. Fiscal Provisions

17650.40. Bonds in the total amount of eight hundred million dollars (\$800,000,000), exclusive of refunding bonds, 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 be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, 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 of, and interest on, the bonds as the principal and interest become due and payable.

17650.44. The State School Building Finance Committee, created by Section 15909 and composed of the Governor, Controller, Treasurer, Director of Finance, and the Director of Education, 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 be designated to chair 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 and advise with the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and as such shall have the powers and duties imposed upon those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide the assistance to the committee as it may require. The Attorney General of the state shall be the legal adviser of the committee.

17650.45. (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 of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the "board."

17650.50. Upon request of the board from time to time, supported by a statement of the apportionments made and to be made for the purposes described in Section 17650.20, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the 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.

17650.55. 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, and 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 which is necessary to collect that additional sum.

17650.60. 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 will equal 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 which is necessary to carry out the provisions of Section 17650.70, appropriated without regard to fiscal years.

17650.63. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The board shall execute those 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.

17650.65. Notwithstanding any other provision of this chapter or of the State General Obligation Bond Law (Chapter 4 commencing with Section 16720) or Part 3 of Division 4 of Title 2 of the Government Code, if the Treasurer sells bonds that include a bona fide opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes subject to designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and 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 that is required or desirable under federal law in order 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.

17650.70. For the purposes of carrying out this chapter, the Director of Finance may 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 by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section

shall be returned to the General Fund, plus an amount equal to the interest the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

17650.75. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

17650.80. The bonds 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 electors of the state for the issuance of the bonds described in this chapter shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

17650.85. The Legislature hereby finds and declares that, inasmuch as 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, the disbursement of these proceeds is not subject to the limitations imposed by that article.

Proposition 147: Text of Proposed Law

This law proposed by Senate Bill 1094 (Statutes of 1990, Ch. 579) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law adds sections to the Penal Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Title 4.9 (commencing with Section 4496.50) is added to Part 3 of the Penal Code, to read:

TITLE 4.9 COUNTY CORRECTIONAL FACILITY CAPITAL EXPENDITURE AND JUVENILE FACILITY BOND ACT OF 1990

CHAPTER 1. GENERAL PROVISIONS

4496.50. This title shall be known and may be cited as the County Correctional Facility Capital Expenditure and Juvenile Facility Bond Act of 1990.

4496.51. The Legislature finds and declares all of the following:

(a) While the County Jail Capital Expenditure Bond Act of 1981, the County Jail Capital Expenditure Bond Act of 1984, the County Correctional Facility Capital Expenditure Bond Act of 1986, and the County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988 have helped eliminate many of the critically overcrowded conditions found in county correctional facilities in the state, many problems remain.

(b) Numerous county jails and juvenile facilities throughout California are dilapidated and overcrowded.

(c) Capital improvements are necessary to protect life and safety of the persons confined or employed in jail facilities and to upgrade the health and sanitary conditions of those facilities.

(d) County jails are threatened with closure or the imposition of court supervision if health and safety deficiencies are not corrected immediately.

(e) Due to fiscal constraints associated with the loss of local property tax revenues, counties are unable to finance the construction of adequate jail and juvenile facilities.

(f) Local facilities for adults and juveniles are operating over capacity and the population of these facilities is still increasing. It is essential to the public safety that construction of new facilities proceed as expeditiously as possible to relieve overcrowding and to maintain public safety and security.

4496.52. As used in this title, the following terms have the following meanings:

(a) "Committee" means the 1990 County Correctional Facility Capital Expenditure and Juvenile Facility Finance Committee created pursuant to Section 4496.59.

(b) "Fund" means the 1990 County Correctional Facility Capital Expenditure and Juvenile Facility Bond Fund created pursuant to Section 4496.53.

(c) "County correctional facilities" means county jail facilities, including separate facilities for the care of mentally ill inmates and persons arrested because of intoxication, but does not include county juvenile facilities.

(d) "County juvenile facilities" means county juvenile halls, juvenile homes, ranches, or camps, and other juvenile detention facilities.

(e) "Youth center" means a facility where children, ages 6 to 17, inclusive, come together for programs and activities, including, but not

limited to, recreation, health and fitness, delinquency prevention (such as anti-gang programs and programs fostering resistance to peer group pressures), counseling for problems such as drug and alcohol abuse and suicide, citizenship and leadership development, and youth employment.

(f) "Youth shelter" means a facility that provides a variety of services to homeless minors living on the street to assist them with their immediate survival needs and to help reunite them with their parents or, as a last alternative, to find a suitable home.

CHAPTER 2. PROGRAM

4496.53. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 1990 County Correctional Facility Capital Expenditure and Juvenile Facility Bond Fund, which is hereby created.

4496.54. (a) Moneys in the fund, up to a limit of one hundred fifty million dollars (\$150,000,000), may be available for the construction, reconstruction, remodeling, and replacement of county correctional facilities, and the performance of deferred maintenance on county correctional facilities. However, deferred maintenance for facilities shall only include items with a useful life of at least 10 years.

(b) Moneys in the fund, up to a limit of fifty million dollars (\$50,000,000), may be available for the construction, reconstruction, remodeling, and replacement of county juvenile facilities, and the performance of deferred maintenance on county juvenile facilities, but may only be used for the purpose of reducing overcrowding and eliminating health, fire, and life safety hazards.

(c) Moneys in the fund, up to a limit of twenty-five million dollars (\$25,000,000), are hereby appropriated to the Department of the Youth Authority for the purpose of making awards to public or private nonprofit agencies or joint ventures, or a combination of those entities, for purposes of purchasing equipment and for acquiring, renovating, or constructing youth centers or youth shelters, as provided by the Youth Center and Youth Shelter Bond Act of 1988. Fifteen million dollars (\$15,000,000) shall be available for youth centers. Ten million dollars (\$10,000,000) shall be available for youth shelters. All money shall be distributed by the Department of the Youth Authority. However, any remaining money that has not been awarded under this subdivision within two years of the effective date of this title shall be available for both youth centers and youth shelters.

(d) Expenditure shall be made only if county matching funds of 25 percent are provided as determined by the Legislature, except that this requirement may be modified or waived by the Legislature where it determines that it is necessary to facilitate the expeditious and equitable construction of state and local correctional facilities.

4496.55. In order to be eligible to receive funds for the purposes specified in Section 4496.54 derived from the issuance of bonds under this title, a county shall do all of the following:

(a) Adopt a plan to prohibit the detention of all juveniles in county jails unless otherwise authorized by law.

(b) Demonstrate that it has adequate facilities for mentally ill inmates or detainees and for those persons arrested because of inebriation, or demonstrate that it has a plan for the provision of services to these persons.

(c) Demonstrate that it has utilized, to the greatest practicable extent, alternatives to jail incarceration.

4496.56. (a) If after the effective date of this title, the electors of a county adopt an initiative measure or approve a referendum measure