AUTHORIZES BONDS FOR FACILITY REPAIR, CONSTRUCTION, AND MODERNIZATION AT PUBLIC PRESCHOOLS, K–12 SCHOOLS, COMMUNITY COLLEGES, AND UNIVERSITIES.

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• Authorizes $15 billion in state general obligation bonds for public education facilities: $9 billion for preschools and K–12 (includes $5.2 billion for modernization, $2.8 billion for new construction, $500 million for charter schools, and $500 million for career technical education); $6 billion for public universities and community colleges.

• Projects will improve facilities’ health/safety conditions (including earthquake/fire safety and removing lead from water) and increase affordable student housing.

• Limits administrative costs to 5%.

• Appropriates money from General Fund to repay bonds.

SUMMARY OF LEGISLATIVE ANALYST’S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

• Increased state costs to repay bonds estimated at about $740 million per year (including interest) over the next 35 years.

• Mixed effect on the amount of local bonds issued by school and community college districts and a likely reduction in the amount of developer fees collected by certain school districts going forward.

Summary of State Costs

<table>
<thead>
<tr>
<th>New Borrowing</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>$15 billion</td>
</tr>
<tr>
<td>Interest</td>
<td>$11 billion</td>
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<tr>
<td><strong>Total Estimated Cost</strong></td>
<td><strong>$26 billion</strong></td>
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<table>
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<th>Payments</th>
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<tr>
<td>Average annual cost</td>
<td>$740 million</td>
</tr>
<tr>
<td>Likely payment period</td>
<td>35 years</td>
</tr>
<tr>
<td>Source of payments</td>
<td>General Fund tax revenues</td>
</tr>
</tbody>
</table>

FINAL VOTES CAST BY THE LEGISLATURE ON AB 48 (PROPOSITION 13)  
(CHapter 530, Statutes of 2019)  
Senate: Ayes 35 Noes 4  
Assembly: Ayes 78 Noes 1

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

California Provides Public Education to 9.2 Million Students. California provides public education spanning from preschool through the university level. About two-thirds of students are enrolled at the preschool, elementary, or secondary school levels. California currently has about 10,000 of these types of schools operated by 944 school districts. (About 1,300 of these schools are charter schools, which typically are approved by the nearest school district but operate somewhat independently.) The
remaining one-third of students are enrolled in public colleges or universities. The California Community College (CCC) system consists of 115 campuses operated by 73 districts. The state has two public university systems—the California State University (CSU) and the University of California (UC). The CSU system has 23 campuses and the UC system has 10 campuses.

**State Helps Cover the Cost of Public Education Facilities.** Traditionally, the state helps cover the cost to construct or renovate academic facilities, including classrooms, science laboratories, and career technical education spaces (such as automotive workshops). New academic facilities typically are constructed when areas are growing in enrollment. Renovation (or modernization) projects typically are undertaken when a building’s components (such as its electrical, plumbing, or heating and cooling systems) are old and become less reliable or a life-safety issue is identified (such as the need to remove mold or strengthen a building’s ability to withstand an earthquake).

Traditionally, the state has not funded preschool facilities, with school districts tending to fund these projects using local funding.

**State Reviews Facility Requests.** For school facility projects, school districts submit applications for state funding to the Office of Public School Construction. The office reviews the applications and then brings eligible applications to the State Allocation Board for approval on a first-come, first-served basis. For community colleges and universities, campuses submit proposals to their system offices. (The CCC system is overseen by the Board of Governors, the CSU system by the Board of Trustees, and the UC system by the Board of Regents.) Each system’s governing board then compiles these campus requests and submits selected projects to the Legislature and Governor for review and approval.

**State Has Rules for Sharing Project Costs With Schools.** For school districts, the state traditionally covers a standard share of the cost of each approved facility project. Specifically, the state covers 50 percent of the cost of most new construction projects and 60 percent of the cost of most renovation projects. School districts are expected to cover remaining project costs using local funds, though school districts that have difficulty covering their local share may qualify for additional state funding. For community college districts and university campuses, the state also often shares project costs, though state law does not have standard share-of-cost requirements for them.

**State Historically Has Used Bonds to Fund Education Facilities.** The state typically uses general obligation bonds (a form of borrowing) to pay for its share of project costs. A majority of voters statewide must approve these bonds. Voters give the state permission to sell bonds to investors. The bonds provide the funding that the state uses for projects. The state then repays the investors with interest, from the General Fund. (The General Fund is the state’s main operating account, which gets its revenues primarily from personal income taxes, state sales and use taxes, and corporation taxes.) The state typically repays investors by making annual payments over a few decades. Bond repayment is guaranteed by the state’s general taxing power. (For more information on the state’s use of bonds, see “Overview of State Bond Debt” later in this guide.)
PROPOSITION 13
AUTHORIZES BONDS FOR FACILITY REPAIR, CONSTRUCTION, AND MODERNIZATION AT PUBLIC PRESCHOOLS, K–12 SCHOOLS, COMMUNITY COLLEGES, AND UNIVERSITIES. LEGISLATIVE STATUTE.

ANALYSIS BY THE LEGISLATIVE ANALYST

State Has Some Bond Authority Remaining but Much of It Has Been Committed. Figure 1 shows that from 2002 through 2016, voters approved four education facility bond measures that provided a total of $45 billion in state bond funding. Three of the bond measures provided funding for school and community college districts as well as universities, whereas one (Proposition 51 in 2016) funded only school and community college districts. Of the $45 billion in approved bond funding, the state already has sold bonds totaling $37.2 billion, with $7.8 billion not yet sold to investors. Virtually all of these unsold bonds are from remaining Proposition 51 funds. The state, however, already has received applications nearly in excess of the remaining Proposition 51 bond authority for school projects. (The state currently is processing these applications.) The state also has already committed about two-thirds of Proposition 51 bond funding for community college projects. (A lag typically exists from the time the state commits bond funding for projects to the time it sells the associated bond.) The state’s current annual payment on previously sold education facility bonds is $2.9 billion.

State Now Relies on University Bonds to Fund CSU and UC Projects. In 2013, the state developed a new way of funding university facility projects. Under the new way, the universities—rather than the state—issue bonds. Unlike state general obligation bonds, voters do not approve university bonds. The universities pay back the debt on their bonds using funding they receive from the state. This change was intended to give CSU and UC greater control over their facilities and encourage campuses to reduce projects costs. Since developing this new funding system, CSU and UC each have undertaken about $2 billion in university bond-funded facility projects. The universities currently make total annual payments of about $140 million for these projects.

Districts Typically Raise Their Local Share by Issuing Local Bonds. School and community college districts tend to cover their local share of project costs using local general obligation bonds. Districts must get at least 55 percent of their voters to approve the sale of local general obligation bonds. Since 2002, voters have approved $154 billion in local general obligation bonds for school and community college facility projects.

State Law Places Limits on Local Borrowing. State law limits the total amount of local bonds that school and community college districts may issue. The limits are based on the assessed value of property within the district. Elementary and high school districts may issue bonds equal to 1.25 percent of their assessed property value. For unified

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposition</th>
<th>Schools</th>
<th>Community Colleges</th>
<th>California State University</th>
<th>University of California</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>47</td>
<td>$11.4</td>
<td>$0.7</td>
<td>$0.5</td>
<td>$0.4</td>
<td>$13.1</td>
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<tr>
<td>2004</td>
<td>55</td>
<td>10.0</td>
<td>0.9</td>
<td>0.7</td>
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<tr>
<td>2006</td>
<td>10</td>
<td>7.3</td>
<td>1.5</td>
<td>0.9</td>
<td>0.7</td>
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<td>2016</td>
<td>51</td>
<td>7.0</td>
<td>2.0</td>
<td>—</td>
<td>—</td>
<td>9.0</td>
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<tr>
<td>Totals</td>
<td></td>
<td>$35.7</td>
<td>$5.2</td>
<td>$2.1</td>
<td>$1.8</td>
<td>$44.8</td>
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</tbody>
</table>
school districts and community college districts, the limit is higher—2.5 percent—if the districts comply with certain other borrowing conditions. School districts that are unable to raise at least $5 million through local bonds under these limits may apply for additional state funding. School districts also may seek waivers from the state to exceed these caps. Since 2010, 7 percent of school districts have received these waivers.

School Districts Also Raise Local Funds From Developer Fees. Unlike community colleges and universities, school districts can raise funds for their facilities by assessing one-time fees on residential, commercial, and industrial developments. For example, a school district can charge a fee to a developer of a new housing community if the district can show that the new development will bring new students into the district. The exact amount that school districts can charge is based on rules specified in state law. Districts use the resulting revenue to help cover the cost of constructing new schools within that area. Since 2002, approximately 90 percent of school districts have raised some revenue from developer fees. During this time, school districts have raised a total of about $10 billion from these fees. Though developer fee revenue makes up a small portion (about 5 percent) of overall funding for school facilities, these fees can contribute up to half of construction costs for certain projects.

PROPOSAL

Proposes Bond Funding for Public Education Facilities. As Figure 2 shows, this measure allows the state to sell general obligation bonds totaling $15 billion—of which $9 billion is for public schools and $6 billion is for higher education facilities. The funding for school facilities is designated for four specific types of projects: renovation, new construction, charter schools, and career technical education facilities. School districts could seek some of the bond funding for their preschool facilities. The higher education funding is spread evenly

<table>
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<tr>
<th>Uses of Proposed Bond Funds (In Billions)</th>
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<tbody>
<tr>
<td>Public School Facilities</td>
</tr>
<tr>
<td>Renovation</td>
</tr>
<tr>
<td>New construction</td>
</tr>
<tr>
<td>Career technical education facilities</td>
</tr>
<tr>
<td>Charter school facilities</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Public Higher Education Facilities</td>
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<tr>
<td>Community college facilities</td>
</tr>
<tr>
<td>California State University facilities</td>
</tr>
<tr>
<td>University of California facilities</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Grand Total</td>
</tr>
</tbody>
</table>

<sup>a</sup> Of this amount, up to 10 percent would be reserved for school districts with 2,500 or fewer students.

<sup>b</sup> Of this amount, $150 million would be reserved for testing and treating lead in water at schools.

<sup>c</sup> Some of this amount could be used for facilities at Hastings College of the Law, which is affiliated with the University of California.

<sup>d</sup> Up to 5 percent of bond funding may be used for administrative purposes.
among CCC, CSU, and UC. The measure is linked to legislation that makes several changes to the rules governing public education facility projects (described below). If the measure passes, these changes will go into effect.

**Modifies Facility Rules for Schools.** If the measure passes, three notable changes would be made to the rules for school facilities. First, the state’s existing share of project costs (50 percent for new construction and 60 percent for renovation) would be replaced with a sliding scale. Under the sliding scale, school districts would qualify for state funding equal to between 50 percent and 55 percent of costs for new construction projects and between 60 percent and 65 percent for renovation projects. The higher state share would be for districts that have less capacity to raise local funds and enroll higher shares of low-income students, foster youth, and English learners. Second, the state would replace its existing first-come, first-served approach for reviewing applications with new rules. The new rules set forth certain prioritization categories. Health and life-safety projects would receive highest priority, followed by applications submitted by districts that have difficulty raising their local share and projects that test for and address lead in water at school sites, among other categories. Within each of these priority categories, applications would be further prioritized if districts have an agreement to use unionized construction labor. The third change is that a school district would be required to submit a five-year facility master plan as a condition of receiving bond funding.

**Establishes New Expectations for Selection of University Projects.** The state also would use new rules for prioritizing CSU and UC projects. To qualify for state bond funds, the CSU Board of Trustees and UC Board of Regents would be required to prioritize projects that address life-safety and certain other deficiencies with existing facilities. University campuses also would be required to develop five-year plans to expand affordable housing options for their students. The system boards would be required to consider these housing plans as an additional factor in prioritizing among campuses’ facility projects.

**Changes Local Funding Rules for Districts.** The state also would make three key changes relating to school districts’ and community college districts’ local revenue-raising capacity. First, districts would be allowed to issue a higher amount of local general obligation bonds. Specifically, for elementary and high school districts, the limit would be raised from 1.25 percent to 2 percent of assessed property value. For unified school districts and community college districts, the limit would be raised from 2.5 percent to 4 percent of assessed property value. Second, school districts unable to raise $15 million under these new limits (up from the existing $5 million threshold) would be able to apply for additional state funding. Third, the state would establish new limits on developer fees. Specifically, school districts would be prohibited from assessing developer fees on multifamily residential developments (such as apartment complexes) located within a half-mile of a major transit stop (such as a light rail station). For all other multifamily residential developments, currently allowable developer fee levels would be reduced by 20 percent moving forward. These limitations would be in place until January 1, 2026.
FISCAL EFFECTS

Measure Would Increase State Costs to Repay Bonds. This measure would allow the state to borrow $15 billion by selling general obligation bonds. The state would pay off the bonds, with interest, from the General Fund. The cost of these bonds would depend on various factors, such as the interest rates on the bonds when sold and the time period over which they are repaid. We estimate that the cost to pay off the bonds would total $26 billion—$15 billion for the principal plus $11 billion for the interest. The state would pay off the bonds by making annual payments of about $740 million per year for 35 years. This amount is about one-half of 1 percent of the state's current General Fund budget.

Uncertain How Measure Would Affect University Facilities. For CSU and UC projects, the measure’s effect would depend upon future decisions. If the state provided funding for university bonds in addition to the proposed state bond, then more CSU and UC projects would be undertaken and state costs would be higher than estimated above. Alternatively, if the proposed state bond were used instead of university bonds, then state costs would not be higher than estimated above.

Measure Would Impact Districts in Various Ways. Many school and community college districts could undertake more facility projects because of the additional state bond funding available and the additional capacity to issue local bonds. Other districts could decide to undertake the same number of facility projects as otherwise planned but at lower local cost (accessing the available state bond funding but not increasing local borrowing). A few school districts, primarily those affected by the new limits on developer fees, might undertake fewer projects.

Visit http://cal-access.sos.ca.gov/campaign/measures/ for a list of committees primarily formed to support or oppose this measure.

Visit http://www.fppc.ca.gov/transparency/top-contributors.html to access the committee’s top 10 contributors.

A copy of the full text of the state measure can be found on page 36 of this guide.

For the full text of Proposition 13, see page 36.
PROP. 13 WILL MAKE CALIFORNIA'S SCHOOLS & COLLEGES SAFER AND HEALTHIER

The current condition of California's school buildings is unacceptable.

Despite research showing students learn better in classrooms which are modern and safe, too many school buildings are dilapidated, unsafe, and unhealthy. Thousands remain at risk of wild fires or earthquakes. Others are contaminated with lead, mold, asbestos, and other hazardous materials. California's children deserve better.

Prop. 13 is the STRONGEST STATEWIDE SCHOOL BOND IN HISTORY, making California's school buildings healthier, more secure, and more conducive to learning. It's an essential step forward to protecting and educating our children.

According to Public Policy Institute of California, 70% of our state's 10,000-plus schools and 300,000 classrooms are more than 25 years old. 10% are at least 70 years old. Schools statewide are projected to need more than $100 billion over the next decade simply to meet basic health, safety, and curriculum standards. Yet California's per-pupil spending on school facilities has sharply declined since 2006.

PROP. 13 REPAIRS AND UPGRADES CALIFORNIA'S PUBLIC SCHOOLS. Too many schools suffer from unsafe conditions, including poor air and water quality and contamination from mold and asbestos. Prop. 13 provides funding to fix rundown buildings, replace deteriorating water pipes with clean drinking water, and remove hazardous materials from aging classrooms.

PROP. 13 ADDS CRITICAL SAFETY MEASURES TO SCHOOLS. It provides schools needed resources to increase student safety including fire and violence prevention.

Prop. 13 provides for functioning smoke and fire alarms, physical security improvements, and long-overdue seismic upgrades. It also expands access to preschool, guidance counselors, and school nurses for health care and mental health.

PROP. 13 RESTORES SCHOOLS AFFECTED BY WILDFIRES, EARTHQUAKES, AND OTHER NATURAL DISASTERS. In emergencies, safe operation of local schools is more important than ever. Prop. 13 provides vital and immediate assistance, including temporary facilities and power generators, to schools impacted by wildfires and catastrophic events.

PROP. 13 SUPPORTS CAREER TECHNICAL EDUCATION FOR VETERANS. Prop. 13 enables local schools and community colleges to expand high-quality career technical education to help more Californians, including veterans who have served our country, prepare for high-skill, high-wage jobs in the modern economy.

PROP. 13 PROTECTS LOCAL CONTROL OVER EVERY PROJECT. It funds local school improvement projects, where local communities and taxpayers have a powerful voice in deciding how these funds can be prioritized to strengthen neighborhood schools.

PROP. 13 HAS STRONG BIPARTISAN SUPPORT. It was placed on the ballot by an overwhelming bipartisan majority of state lawmakers. It's also supported by a broad-based coalition of teachers, doctors, nurses, firefighters, and military veterans. The science is clear—safe, healthy, high-quality school buildings increase learning. And California's students can't afford to wait any longer.

For the safety of our children and our future as a state, PLEASE JOIN US IN VOTING YES ON PROP. 13.

BRIAN RICE, President
California Professional Firefighters

E. TOBY BOYD, President
California Teachers Association

PAMELA KAHN, President
California School Nurses Association

REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 13

HOMEOWNERS, RENTERS, AND ALL TAXPAYERS BEWARE OF TAX HIKES!

Hidden in this year's Proposition 13 is a near DOUBLING of the limits that local school districts can borrow. When school districts borrow money, that debt is repaid exclusively by PROPERTY TAXES! Who pays property taxes? We all do, either directly in property tax bills or through higher rents and other costs. Unlike the original Proposition 13 from 1978, this Proposition 13 puts all taxpayers at risk of higher taxes.

NO GUARANTEES AGAINST WASTE!

The question isn't whether we need well-maintained school buildings, but how best to pay for them and whether past promises have been kept. Voters already approved $9 billion in 2016 to build and repair schools. Now they tell us they never repaired the deteriorating water pipes and removed asbestos from classrooms? How does High Speed Rail get full funding but yet schools don't?

TAXPAYERS WILL BE ON THE HOOK FOR MORE BORROWING AND DEBT!

Borrowing $15 billion for school construction and repairs makes no sense when California has a $22 billion budget surplus. What's worse, the 80% estimated interest cost means we're actually on the hook for $27 billion. Instead, let's spend the money we have directly in the classroom to address declining test scores and high dropout rates.

Don't let Sacramento's misplaced priorities and irresponsible borrowing put California deeper in debt and lead to higher local taxes.

VOTE NO ON PROPOSITION 13!

STATE SENATOR BRIAN JONES
District 38

JON COUPAL, President
Howard Jarvis Taxpayers Association

LARRY SAND, Retired Teacher
THIS YEAR’S PROP. 13 IS A PHONY!
Don’t be confused by the deceptive title of this spending measure to be “Prop. 13.” Unlike the landmark taxpayer protection of 1978, this year’s Prop. 13 instead will put taxpayers on the hook for $27 billion.

TYPICAL CREDIT CARD MATH BY SACRAMENTO POLITICIANS
The politicians plan to borrow $15 billion from Wall Street and then make taxpayers pay it back plus 80% in total interest costs. That’s an additional $12 billion we’ll be forced to pay, bringing the entire bill to $27 billion.

THE GOVERNOR & LEGISLATURE FAIL TO MAKE SCHOOLS A PRIORITY
Instead of spending the state’s $21 billion surplus on upgrading school facilities and providing high quality education for our children, the Governor and the Legislature are wasting our money on their own pet projects. That surplus money could have gone into solutions for our education system—both in classroom instruction and for new facilities—without new debt that our children will be paying for three decades!

HIGHER LEVELS OF DEBT LEADS TO HIGHER TAXES
We’ve seen this before from Sacramento politicians—they overspend, they issue bonds, and they punish us with tax hikes on our cars, gasoline, and income. And those tax hikes almost never go to what the politicians say they will—just look at our crumbling roads and see the billions of dollars diverted to High Speed Rail!

BILLIONS WILL GO TO MONEY PITS, NOT INTO CLASSROOM INSTRUCTION
Wasteful money pits in the vast education bureaucracy will grab much of this money while not one cent of it will be spent for direct instruction in school classrooms. This money will go to wasteful construction projects that benefit special interests.

LOCAL SCHOOL DISTRICTS WILL GO FURTHER INTO DEBT
A hidden provision of this proposition will encourage local school districts to increase their borrowing by more than 60%. Local school debt is paid back with higher property taxes. We’re already paying a fortune for previous borrowing, and the problem is never fixed.

SWEETHEART DEAL FOR DEVELOPERS, NO MONEY FOR FIRST RESPONDERS
Only in the State Capitol would someone decide to subsidize wealthy developers while withholding money from local police and fire fighters. Yet that’s exactly what this proposition would do. The politicians were hoping no one would read the small print, but we did and we caught them red-handed.

WE CAN DO BETTER FOR OUR KIDS AND GRANDKIDS
California’s schools are consistently ranked near the lowest in the country. Rather than just throwing $27 billion into school construction projects, our state needs a well-thought out, long-term solution to achieve a high standard of excellence in reading, writing, and math. This costly measure does nothing to improve classroom instruction or help our children succeed.

VOTE NO ON THIS PHONY PROPOSITION 13.

SENIOR BRIAN JONES
District 3B

JON COUPAL, President
Howard Jarvis Taxpayers Association

LARRY SAND, Retired Teacher

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 13 ★

Don’t believe the false attacks. Proposition 13 will fix and upgrade public schools all across California that are unsafe, out-of-date, and badly in need of repair. It’s broadly endorsed by teachers, principals, firefighters, doctors, and nurses—and has the strong support of Republicans, Democrats, and independents alike.

Proposition 13 makes local school buildings stronger and healthier. Removes asbestos, toxic mold, and hazardous materials from aging classrooms. Replaces deteriorating pipes so children have safe drinking water. Adds school nursing facilities. Makes schools safer in wildfires, earthquakes, and natural disasters. Studies show that safe school buildings are more likely to result in higher student performance.

Proposition 13 also guarantees that every dollar spent is accountable, audited, and transparent to state taxpayers. It requires administrative costs be limited to no more than 5%, ensuring that more funds than ever are invested directly into schools.

Don’t take our word for it. Listen to the experts: California Professional Firefighters President Brian Rice says: “Proposition 13 will fund improvements to make our schools safer. Safer schools create safer communities. That’s why public safety experts support Prop. 13.”

Dr. Peter Bretan, President of California Medical Association, the state’s largest physician organization, says: “Students deserve access to healthy schools with clean water, breathable air, and school nurses. California’s health providers support Proposition 13.”

California Association of School Business Officials CEO Molly McGee Hewitt says: “School bonds are proven to be the most effective and fiscally responsible way to fund repairs to deteriorating school buildings. Yes on Proposition 13!”

CELIB JAFFE, President
California State Parent Teachers Association

DR. LINDA KAMINSKI, President
Association of California School Administrators

PAMELA KAHN, President
California School Nurses Association
PROPOSITION 13
This law proposed by Assembly Bill 48 of the 2019–20 Regular Session (Chapter 530, Statutes of 2019) is submitted to the people in accordance with the provisions of Article XVI of the California 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
SEC. 54. Part 71 (commencing with Section 101200) is added to Division 14 of Title 3 of the Education Code, to read:

PART 71. THE PUBLIC PRESCHOOL, K–12, AND COLLEGE HEALTH AND SAFETY BOND ACT OF 2020

CHAPTER 1. GENERAL PROVISIONS

101200. This part shall be known, and may be cited, as the Public Preschool, K–12, and College Health and Safety Bond Act of 2020.

101201. The incorporation of, or reference to, any provision of state statutory law in this part includes all acts amendatory thereof and supplementary thereto.

101202. Bonds in the total amount of fifteen billion dollars ($15,000,000,000), not including the amount of any refunding bonds issued in accordance with Sections 101230, 101251, and 101339, may be issued and sold for the purposes set forth in Sections 101220, 101242, 101310, and 101320. The bonds, when sold, issued, and delivered, 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.

101203. It is the intent of the Legislature to address the crisis of school facilities for all California students attending public preschool, K–12, community colleges, and universities:

(a) Upgrade public school facilities for earthquakes and other emergencies.

(b) Provide emergency funding to reopen schools following major disasters, including fires.

(c) Remove mold, asbestos, and other hazardous materials from classrooms and lead from school drinking water.

(d) Repair and replace aging public school buildings.

(e) Provide space for school nurses and counselors to increase student access to health care and mental health services.

(f) Modernize job, career, and vocational training facilities, including for veterans returning from duty.

(g) Require independent audits and public hearings to provide accountability for taxpayer dollars.

(h) Cap administrative costs at 5 percent.

101204. Not more than 5 percent of the funds allocated pursuant to this part may be used to support the costs to administer the programs authorized by this act.

CHAPTER 2. PRESCHOOL-GRADE 12


101210. The proceeds of bonds issued and sold pursuant to this chapter, not including the proceeds of any refunding bonds issued in accordance with Section 101230, 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.

101211. 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.

101212. The proceeds from the sale of bonds issued and sold for the purposes of this chapter...
shall be allocated in accordance with the following schedule:

(a) (1) The amount of two billion eight hundred million dollars ($2,800,000,000) for new construction of school facilities of applicant school districts pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1.

(2) Of the amount allocated under this subdivision, up to 10 percent shall be available to small school districts pursuant to Article 11.5 (commencing with Section 17078.40) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

(3) Of the amount allocated in this subdivision, up to the amount necessary to fund the list of acknowledged applications due to a lack of authority from general obligation bonds passed before 2018 that support the new construction of school facilities pursuant to the Leroy F. Greene School Facilities Act (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall be available to support applications for the new construction of school facilities submitted pursuant to the Leroy F. Greene School Facilities Act (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) before February 29, 2020.

(b) (1) The amount of five billion two hundred million dollars ($5,200,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1.

(2) Of the amount allocated under this subdivision, up to 10 percent shall be available to small school districts pursuant to Article 11.5 (commencing with Section 17078.40) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

(3) Of the amount allocated in this subdivision, up to the amount necessary to fund the list of acknowledged applications due to a lack of authority from general obligation bonds passed before 2018 that support the modernization of school facilities pursuant to the Leroy F. Greene School Facilities Act (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall be available to support applications for the modernization of school facilities submitted pursuant to the Leroy F. Greene School Facilities Act (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) before February 29, 2020.

(4) Of the amount allocated under this paragraph, up to one hundred fifty million dollars ($150,000,000) shall be available to address the remediation of lead in water pursuant to Article 10.7 (commencing with Section 17077.60) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

(c) The amount of five hundred million dollars ($500,000,000) shall be available for providing school facilities to charter schools pursuant to Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part 10 of Division 1 of Title 1.

(d) The amount of five hundred million dollars ($500,000,000) shall be available for facilities for career technical education programs, pursuant to Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10 of Division 1 of Title 1.


101220. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101200), bonds in the amount of nine billion dollars ($9,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 101230, 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 times necessary to service expenditures required by the apportionments.

101221. 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 to act as the committee, as defined 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), for purposes 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.

101222. (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). The provisions of that law, including all acts amendatory thereof and supplementary thereto, apply to those authorized bonds and this chapter, and 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.

101223. (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 101212.

101224. There shall be collected each year, in the same manner and at the same time as other state revenue is collected and 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.

101225. 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 101228, appropriated without regard to fiscal years.

101226. 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 101230, less any amount loaned and not yet repaid pursuant to this section and withdrawn from the General Fund pursuant to Section 101228 and not yet returned. 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 2020 State School Facilities Fund to be allocated by the State Allocation Board in accordance with this chapter.

101227. 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.

101228. 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 101230, less any amount loaned and not yet repaid pursuant to this section and withdrawn from the General Fund pursuant to Section 101226 and not yet returned, 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 and allocated by the State Allocation Board in accordance 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.

101229. 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.

101230. 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.

101231. 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


101240. (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, not including the proceeds of any refunding bonds issued in accordance with Section 101251, issued and sold for the purposes of this chapter.

(b) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby continued in existence to act as the committee, as defined 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), for purposes of this chapter and to provide funds to aid the California Community Colleges.

Article 2. California Community College Program Provisions

101241. (a) From the proceeds of bonds issued and sold pursuant to Article 3 (commencing with Section 101242), the sum of two billion dollars ($2,000,000,000) shall be deposited in the 2020 California Community College Capital Outlay Bond Fund for purposes of this chapter. When appropriated, these funds
shall be available for expenditure for purposes of this chapter.

(b) The purposes of this chapter 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 chapter may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of intersegmental facilities, 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.

(d) For purposes of this section, “intersegmental” means may be used by more than one segment of public higher education.


101242. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101200), bonds in the total amount of two billion dollars ($2,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 101251, 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.

101243. (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). The provisions of that law, including all acts amendatory thereof and supplementary thereto, apply to those authorized bonds and this chapter, and 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.

101244. 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.

101245. 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.

101246. 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 101249, appropriated without regard to fiscal years.

101247. The board, as defined in subdivision (b) of Section 101243, 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 101251, less any amount loaned and not yet repaid pursuant to this section and withdrawn from the General Fund pursuant to Section 101249 and not yet returned, 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.

101250. 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 may be reserved and used to pay the cost of the bond issuance before any transfer to the General Fund, 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.

101251. The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 13...
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.

101252. 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 4. UNIVERSITY FACILITIES


101300. (a) The system of public universities in this state includes the University of California, the Hastings College of the Law, and the California State University, and their respective off-campus centers.

(b) The 2020 University Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds, not including the proceeds of any refunding bonds issued in accordance with Section 101339, issued and sold for the purposes of this chapter.

(c) (1) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby continued in existence to act as the committee, as defined 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), for purposes of this chapter to provide funds to aid the University of California, the Hastings College of the Law, and the California State University.

(2) The addition of the Hastings College of the Law to this section clarifies the Legislature’s intent regarding, and is not intended to mark a change from, the funding authorizations made by Section 67354, as set forth in the Higher Education Facilities Bond Act of 1986, or by Section 67334, as set forth in the Higher Education Facilities Bond Act of 1988.

Article 2. Program Provisions Applicable to the University of California and the Hastings College of the Law

101310. (a) From the proceeds of bonds issued and sold pursuant to Article 4 (commencing with Section 101330), the sum of two billion dollars ($2,000,000,000) shall be deposited in the 2020 University Capital Outlay Bond Fund for purposes of this chapter. When appropriated, these funds shall be available for expenditure for purposes of this chapter.

(b) The purposes of this chapter include assisting in meeting the capital outlay financing needs of the University of California and the Hastings College of the Law.

(c) The proceeds of the bonds issued and sold pursuant to this chapter shall be available for any of the following:

(1) The construction, reconstruction, and remodeling of existing or new facilities, including the construction of buildings and the acquisition of related fixtures.

(2) The equipping of new, renovated, or reconstructed facilities.

(3) The payment of preconstruction costs, including, but not necessarily limited to, preliminary plans and working drawings.

(4) The renovation and reconstruction of facilities.

(5) The construction or improvement of off-campus and on-campus facilities of the University of California approved by the Regents of the University of California, including the acquisition of sites upon which these facilities are to be constructed.

Article 3. Program Provisions Applicable to the California State University

101320. (a) From the proceeds of bonds issued and sold pursuant to Article 4 (commencing with Section 101330), the sum of two billion dollars ($2,000,000,000) shall be deposited in the 2020 University Capital Outlay Bond Fund for the purposes of this chapter. When appropriated, these funds shall be available for expenditure for the purposes of this chapter.
(b) The purposes of this chapter include assisting in meeting the capital outlay financing needs of the California State University.

(c) The proceeds of the bonds issued and sold pursuant to this chapter shall be available for any of the following:

1. The construction, reconstruction, and remodeling of existing or new facilities, including the construction of buildings and the acquisition of related fixtures.
2. The equipping of new, renovated, or reconstructed facilities.
3. The payment of preconstruction costs, including, but not necessarily limited to, preliminary plans and working drawings.
4. The renovation and reconstruction of facilities.
5. The construction or improvement of off-campus and on-campus facilities of the California State University approved by the Board of Trustees of the California State University, including the acquisition of sites upon which these facilities are to be constructed.


101330. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101200), bonds in the amount of four billion dollars ($4,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 101339, 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 Committee, established pursuant to Section 67353, at any different times necessary to service expenditures required by the apportionments.

(c) It is the intent of the Legislature that the University of California and the California State University annually consider the inclusion of intersegmental facilities as part of those entities’ annual capital outlay planning process and that, on or before May 15th of each year, those entities report their findings to the budget committees of each house of the Legislature.

(2) For purposes of this subdivision, “intersegmental” means may be used by more than one segment of public higher education.

101331. (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). The provisions of that law, including all acts amendatory thereof and supplementary thereto, apply to those authorized bonds and this chapter, and 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 the purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the 2020 University 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 University of California, the Hastings College of the Law, and the California State University, 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.

101332. 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 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 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.

101333. 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 which is necessary to collect that additional sum.

101334. 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 101337, appropriated without regard to fiscal years.

101335. The board, as defined in subdivision (b) of Section 101331, 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 101339. The board, as defined in subdivision (b) of Section 101331, 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 2020 University Capital Outlay Bond Fund to be allocated by the board in accordance with this chapter.

101336. 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 on those proceeds 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.

101337. (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 101339, 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 University 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 University of California, the Hastings College of the Law, or the California State University shall be accompanied by both of the following:
(1) The five-year capital outlay plan of the particular university or college.
(2) A schedule of projects consistent with the requirements of Section 89776, for the California State University, or Section 92170, for the University of California. The schedule of projects shall include consideration of projects that address critical fire and life safety issues, projects that address seismic deficiencies, and projects that address critical deferred maintenance issues.

101338. All moneys deposited in the 2020 University 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 costs of the bond issuance before any transfer to the General Fund.

101339. 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.

101340. 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 5. TRANSPARENCY AND ACCOUNTABILITY PROVISIONS

101350. (a) (1) A governing board of a school district, governing board of a community college district, county superintendent of schools, governing board of a charter school, the Board of Trustees of the California State University, the Regents of the University of California, or the Board of Directors of the Hastings College of Law shall ensure that an independent performance audit of any project funded in whole or in part from the proceeds of a bond authorized by this part is conducted to ensure that the use of the applicable funds has been reviewed for expenditure consistent with the requirements of all applicable laws.

(2) A performance audit conducted for any project funded in whole or in part from the proceeds of bonds authorized by this part and required by any other law, including, but not limited to, an audit conducted pursuant to Section 41024, shall be deemed to satisfy the requirement of paragraph (1).

(3) The result of any audit required by this subdivision shall be posted on the internet website of the applicable school district, community college district, county office of education, charter school, the California State University, the University of California, or the Hastings College of the Law.

(b) (1) (A) Before approving a project, or projects, seeking funds from this part, the governing board of a school district, county board of education, or governing body of a charter school shall hold at least one public hearing to solicit input from members of the public regarding a project, or projects, being proposed for submission.

(B) Before approving a request for the consideration of a project, or projects, by the Legislature that would be funded by the proceeds of a bond authorized by this part, the governing board of a community college district shall hold at least one public hearing to solicit input from members of the public regarding a project, or projects, being requested for consideration.

(2) The public hearing required pursuant to paragraph (1) may:

(A) Occur at the same public hearing in which the applicable governing board or body approves the project, or projects, seeking funds from this part.

(B) Be conducted as part of a regularly scheduled and publicly noticed hearing of the applicable governing board or body.

(3) (A) A school district, county office of education, charter school, or community college district shall post information regarding a project, or projects, seeking or requesting funds from this part that have been approved by the applicable governing board or body on its public internet website.

(B) The project information reflected on the internet website pursuant to subparagraph (A) shall include, but not be limited to, the location of the project, or projects, estimated project costs, and the estimated timeline for the completion of the project, or projects.

(4) (A) A school district, county office of education, charter school, or community college
(b) For purposes of this paragraph, a school district, county office of education, charter school, or community college district may maintain records electronically, in compliance with any applicable state and federal laws.

(c) (1) Before approving a request for the consideration of a project, or projects, by the Legislature that would be funded by the proceeds of a bond authorized by this part, the Board of Trustees of the California State University, the Regents of the University of California, and the Board of Directors of the Hastings College of the Law shall hold at least one public hearing to solicit input from members of the public regarding a project, or projects, being requested for consideration.

(2) The public hearing required pursuant to paragraph (1) may:

(A) Occur at the same public hearing in which the governing entity approves the submission of the applicable project, or projects.

(B) Be conducted as part of a regularly scheduled and publicly noticed hearing of the governing entity.

(3) (A) The California State University, the University of California, and the Hastings College of the Law shall post information regarding a project, or projects, that have been approved for submission by the applicable governing body on their respective public internet websites.

(B) The project information reflected on the internet website pursuant to subparagraph (A) shall include, but not be limited to, the location of the project, or projects, estimated project costs, and the estimated timeline for the completion of the project, or projects.

(4) (A) The California State University, the University of California, and the Hastings College of Law, or its applicable campuses, shall retain all financial accounts, documents, and records necessary for the audit required pursuant to subdivision (a).

(B) For purposes of this paragraph, the California State University, the University of California, and the Hastings College of Law, or its applicable campuses, may maintain records electronically, in compliance with any applicable state and federal laws.