

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 to:

(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

**Article 1. Preschool-Grade 12 School
Facilities Program Provisions**

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.

Article 2. Preschool-Grade 12 School Facilities Fiscal Provisions

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

Article 1. General Provisions

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.

Article 3. California Community College Fiscal Provisions

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. The board, as defined in subdivision (b) of Section 101243, 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 California Community College Capital Outlay Bond Fund to be allocated by the board in accordance with this chapter.

101248. 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.

101249. (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 101251, less any amount loaned and not yet repaid pursuant to this section and withdrawn from the General Fund pursuant to Section 101247 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 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.

101251. 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.

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

Article 1. General Provisions

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.

Article 4. University Fiscal Provisions

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) (1) 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 of 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

district shall retain all financial accounts, documents, and records necessary for the audit required pursuant to subdivision (a).

(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.