

# SixTen and Associates

## MANDATE REIMBURSEMENT SERVICES

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PROGRAM: 277/96 STATE REVENUE BONDS (K-14)

SRB 1.9

### EDUCATION CODE REQUIREMENTS

CHAPTER 18 "THE CALIFORNIA SCHOOL FINANCE AUTHORITY ACT  
Added by Chapter 277, Statutes of 1996, Section 2:

- a. As an agent of the California School Finance Authority, enter into contracts to determine the location and character of any project to be financed under the California School Finance Authority Act, and acquire, construct, enlarge, remodel, renovate, alter, improve, furnish, equip, own, maintain, manage, repair, operate, lease as lessee or lessor, or regulate the same, pursuant to Education Code Section 17180, subdivisions (f)(1) and (2).
- b. As an agent of the California School Finance Authority, acquire by purchase solely from funds provided under the California School Finance Authority Act, or by gift or devise, and sell, by installments or otherwise, property, rights, rights-of-way, franchises, easements, and other interests in lands, including, but not limited to, lands lying under water, and riparian rights, located within the state which the California School Finance Authority deems necessary or convenient for the acquisition, construction, financing, or operation of a project, pursuant to Education Code Section 17180, subdivision (g).
- c. Comply with and terms and conditions deemed appropriate by the California School Finance Authority or the lease may be terminated, pursuant to Education Code Section 17180, subdivision (j).
- d. Pay the administrative costs and expenses incurred by the California School Finance Authority under the California School Finance Authority Act, pursuant to Education Code Section 17180, subdivision (k).
- e. Demonstrate the financial feasibility of a project by taking into account all district funds, basing future projections upon historical experience or reasonable expectations, or a combination thereof, to obtain project financing under the California School Finance Authority Act, pursuant to Education Code Section 17183.5.
- f. In connection with receiving from a public credit provider credit enhancement for bonds, notes, certificates of participation, or other evidences of indebtedness, agree to the following conditions:
  - (1) Adopt a resolution by a majority vote of its board to participate under this section, provide notice to the Controller of that election, including a schedule for the repayment of principal and interest on the bonds, notes, certificates of participation, or other evidence of indebtedness and identify the public credit provider that provided credit enhancement, pursuant to

- Education Code Section 17193.5, subdivision (a)(1). The notice shall be provided not later than the date of issuance of the bonds, pursuant to Education Code Section 17193.5, subdivision (a)(1);
- g. Perform any acts specifically approved by the California School Finance Authority, including:
- (1) The selection of college sites, pursuant to Education Code Section 17194, subdivision (a);
  - (2) The securing of appraisals, pursuant to Education Code Section 17194, subdivision (b);
  - (3) Contracts for architectural services, pursuant to Education Code Section 17194, subdivision (c);
  - (4) The advertisement for construction bids and the entry into contracts for construction, pursuant to Education Code Section 17194, subdivision (d); and
  - (5) The purchase of furniture and equipment, pursuant to Education Code Section 17194, subdivision (e).
- h. For the purpose of securing financing or refinancing of projects or working capital pursuant to this chapter through the issuance, by California School Finance Authority, of revenue bonds, certificates of participation, or other means, and notwithstanding any other provision of law, shall, as may be necessary:
- (1) Sell to the California School Finance Authority all or part of any rights to or possibilities regarding the state's share of funding for school facilities approved by the State Allocation Board under "The Leroy F. Greene School Facilities Act of 1998" including amounts apportioned and funded and amounts approved but not yet funded by the State Allocation Board from proceeds of state bonds already authorized by the electors but not yet issued, pursuant to Education Code Section 17199.1, subdivision (a)(1);
  - (2) Issue bonds to the California School Finance Authority, pursuant to Education Code Section 17199.1, subdivision (a)(2);
  - (3) Borrow money or purchase or lease educational facilities from the California School Finance Authority, and in connection therewith, sell or lease property to the California School Finance Authority, in each case at any interest rate or rates, rental provisions, with any maturity date or dates or term, and with any other transfer, assignment, payment, security, default, remedy, and other terms or provisions as may be specified in the sale of rights agreement or the bonds of the participating district or a loan, loan purchase, installment sale, lease, or other agreement between the California School Finance Authority and the participating district, pursuant to 17199.1, subdivision (a)(3).

- i. As may be necessary, enter into any agreement for liquidity or credit enhancement, with any reimbursement, payment, interest, security, default, remedy, and other terms it may deem necessary or appropriate in connection with the issuance of bonds, the borrowing of money or the lease or purchase of educational facilities, whichever is applicable, pursuant to Education Code Section 17199.1, subdivision (c).
- j. Do all things and execute all documents as may be necessary or desirable in connection with the issuance of certificates of participation, or other interests, in any bond, loan, installment sale, lease, or other agreement of the district, pursuant to Education Code Section 17199.1, subdivision (c).
- k. By resolution, authorize the board of governors or the Chancellor, to act as its agent in the performance of any of the matters permitted by this section or any other provision of the California School Finance Authority Act, binding the district to any contract, agreement, instrument, or other document executed by the agent on behalf of the district, pursuant to Education Code Section 17199.1, subdivision (d).
- l. Elect to guarantee or provide for payment of the bonds in accordance with the following conditions:
  - (1) If the district adopts a resolution by a majority vote of its board to participate under this section, it shall provide notice to the Controller of that election, including a schedule for the repayment of principal and interest on the bonds and identify a trustee appointed by the participating school district or county office of education or the authority for purposes of this section, pursuant to Education Code Section 17199.4, subdivision (a)(1). The notice shall be provided not later than the date of issuance of the bonds, pursuant to Education Code Section 17199.4, subdivision (a)(1); and
  - (2) If, for any reason, the district will not make the payment of principal and interest at the time the payment is required, the district or county office must notify the trustee of that fact and of the amount of the deficiency, pursuant to Education Code Section 17199.4, subdivision (a)(2); or
  - (3) The district may provide a transfer schedule in its notice to the Controller of its election to participate under this section, setting forth amounts to be transferred to the trustee and the date for the transfers, pursuant to Education Code Section 17199.4, subdivision (a)(4).
- m. Apply to the California School Finance Authority to participate, pursuant to Education Code Section 17199.4, subdivision (c).

**KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES BOND ACT OF 2002**

Added by Chapter 33, Statutes of 2002, Section 30, and approved by passage of Initiative Measure [Prop. 47] on November 5, 2002:

**Article 1. Kindergarten Through 12<sup>th</sup> Grade School Facilities Program Provisions**

- a. File an application, including, but not limited to, hardship applications, with the Office of Public School Construction after February 1, 2002, to be eligible for the three billion four hundred fifty million dollars (\$3,450,000,000) assigned under this chapter for the new construction of school facilities in accordance with the "Leroy F. Greene School Facilities Act of 1998," Chapter 12.5, pursuant to Education Code 100620, subdivision (a)(1).
- b. File an application, including, but not limited to, hardship applications, with the Office of Public School Construction after February 1, 2002, to be eligible for the one billion four hundred million dollars (\$1,400,000,000) assigned under this chapter for the modernization of school facilities in accordance with the "Leroy F. Greene School Facilities Act of 1998," Chapter 12.5, pursuant to Education Code Section 100620, subdivision (a)(2).
- c. File an application, including, but not to, hardship applications, with the Office of Public School Construction on or before February 1, 2002, to be eligible for the two billion nine hundred million dollars (\$2,900,000,000) assigned under this chapter for new construction of school facilities in accordance with the "Leroy F. Greene School Facilities Act of 1998," Chapter 12.5, pursuant to Education Code Section 100620, subdivision (a)(3).
- d. File an application, including, but not to, hardship applications, with the Office of Public School Construction on or before February 1, 2002, to be eligible for the one billion nine hundred million dollars (\$1,900,000,000) assigned under this chapter for the modernization of school facilities in accordance with the "Leroy F. Greene School Facilities Act of 1998," Chapter 12.5, pursuant to Education Code Section 100620, subdivision (a)(4).