

## SB 14 (GLAZER) EDUCATION FINANCE: HIGHER EDUCATION FACILITIES BOND ACT OF 2020

**POSITION:** The Chamber's Education and Workforce Roundtable and Public Policy Sub-Committee on Infrastructure, Housing, and Land Use voted to SUPPORT the bill on April 16, 2019. The Chamber's Public Policy Committee voted to SUPPORT the bill on May 14, 2019. The Chamber's Board of Directors voted to SUPPORT the bill on May 23, 2019.

**RATIONALE:** Maintaining capital assets and infrastructure, modernizing buildings, and ensuring adequate capacity are all essential to increasing access and improving student outcomes, which is beneficial for both business and the future workforce.

**STATUS:** SB 14 was introduced by Senator Steven M. Glazer on December 3, 2018 and is scheduled to be heard by the Committee on Appropriations on May 16, 2019.

### SUMMARY

SB 14 would place an \$8 billion general obligation bond on the March 2020 ballot for UC and CSU facilities. The bond money could be used for the construction, reconstruction, and remodeling of existing and/or new facilities.

### INDUSTRY/IES IMPACTED

Higher Education institutions would be directly impacted. Indirectly, all industries reliant on an educated workforce would be impacted in the future.

### SUPPORTERS

- California State University
- University of California
- California State Student Association
- California Teamsters
- Associated Students University of California
- University of California Student Association

### OPPONENTS

None known.

### ARGUMENTS IN FAVOR

- The last higher education-specific bond passed was Proposition 153 in 1992.
- The campus has faced a shortage of academic space over the last decade as State funding for construction of new facilities has not kept pace with the evolution of academic programs and significant campus enrollment growth.

### ARGUMENTS IN OPPOSITION

- Currently, the UC and CSU segments are able to self-fund in limited amounts through their General Revenue Bond Program and Systemwide Revenue Bond Program, respectively
- According to the Senate Committee on Governance and Finance, more than \$36 billion of approved CA general obligation bonds haven't been issued yet, and many bond funded projects have not yet received required approvals.

### MORE INFORMATION

Senate Bill 14 enacts the Higher Education Facilities Bond Act of 2020, which places an \$8 billion bond before voters at the March, 2020, statewide primary election ballot. The measure creates the 2020 Higher Education Capital Outlay Bond Fund, and requires that all bond proceeds be deposited in the Fund. The measure creates a finance committee to administer the bond, consisting of the Treasurer as Chair, the Governor, the Controller, the Director of Finance, the President of the University of California, the Chancellor of the California State University, and the Chancellor of the California Community Colleges, or their designees.

The bill provides that bonds can only be sold to fund apportionments expressly authorized by the Legislature in the Budget Act, and requires that one-half of the total amount of bonds must be designated for the UC and the Hastings College of the Law, and the other half for CSU. The bill authorizes the Committee to create debts and liabilities on behalf of the state for the purposes of funding aid to UC, CSU, and the Hastings College of the Law for the construction, reconstruction, and remodeling of existing or new facilities authorized in the Budget Act.