Legal Title
State Construction Program Fund

Legal Citation/Authority
Chapter 1709, Statutes of 1955
Government Code sections 16352.5-16354 (Also see Authority and Purpose)

Purpose
A depository of funds derived from the sale of general obligation bonds authorized by the State Construction Program Bond Act of 1955. Bonds were authorized to be sold in the amount of $200 million to provide needed funds for major building construction, equipment, and site acquisition to meet the needs of the state. Of the total authorized, $60 million was reserved for capital outlay needs of the California State University and Colleges.

Chapter 88, Statutes of 1958, 1st Extraordinary Session, the State Construction Bond Act of 1958, authorized an additional $200 million for the same purposes as the Bond Act of 1955, except that no moneys were specifically set aside for the state colleges.

Chapter 23, Statutes of 1962, 1st Extraordinary Session, the State Construction Program Bond Act of 1962, and Chapter 143/64, 1st Extraordinary Session, the State Construction Bond Act of 1964, authorized the sale of $370 million and $380 million respectively. These bonds acts were for the same purpose as the State Construction Program Bond Act of 1955 with the exception that the Bond Act of 1962 reserved $20 million for construction, equipment, and site acquisition for junior colleges. The Bond Act of 1964 reserved an additional $50 million for this same purpose.

Chapter 156, Statutes of 1966, 1st Extraordinary Session, authorized the State Higher Education Construction Bond Act of 1966, in the amount of $230 million. This bond issue was restricted solely to meeting the construction, equipment, and site acquisition needs of the University of California and the California State University and Colleges.

The Junior College Construction Bond Act of 1968, authorized by Chapter 1555, Statutes of 1977 and the Community College Construction Program Bond Act of 1972, authorized by Chapter 937, Statutes of 1971 were provided for major construction, equipment, and site acquisition by the California Community Colleges. The Bond Act of 1968 authorized $65 million and the Bond Act of 1972 authorized an additional $160 million for these purposes.

In addition to the proceeds from the sale of bonds, moneys transferred from the General Fund to the School Fund by Item 321.5, Budget Act of 1969, in excess of the needs for school apportionments pursuant to Items 321, Budget Act of 1969, were transferred from the School Fund to the State Construction Program Fund by Chapter 784, Statutes of 1969. Approximately $74.2 million was transferred to the State Construction Program under these provisions. The State Controller set up a reserve account for these moneys. This account has been expended for Community College Capital...
Outlay, the school lunch program and apportionments to public schools.

A small residual balance of approximately $1.0 million remained in this account. This balance was returned to the General Fund, as of June 30, 1978, by Section 12.1, Budget Act of 1978 (Chapter 359/78).

The special requirements of the State Construction Bond Acts of 1955, 1958, 1962 and 1964 have been complied with except for a small balance which was still reserved for junior college construction, equipment, and site acquisition by the Bond Acts of 1962 and 1964. In order to simplify accounting for the fund, Section 3.3 was added to the Budget Act of 1978 to transfer the remaining balance of these Bond Acts, except the amount reserved in accordance with the Bond Acts of 1962 and 1964 and appropriated for junior colleges, to the State Higher Education Construction Program Board Act of 1966, to be expended for the purposes of that act.

Section 16354 of the Government Code provides an account in the fund which is continuously appropriated for increased costs of construction, to be allocated by the Director of Finance, when approved by the Public Works Board. This account consists of the unexpended balance of appropriations which the Director of Finance determines, with the approval of the Public Works Board, not to be required for the purpose of the appropriation. Government Code Section 16352.5 provides an appropriation specifically for augmentation of projects funded from the Bond Act of 1972 to provide for increased costs of construction.

**Administering Agency/Organization Code**
Department of Finance/Org 8860

**Major Revenue Source**
Proceeds from the sale of bonds.

**Disposition of Fund (upon abolishment)**
Pursuant to Government Code section 16346, absent language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.

**Appropriation Authority**
Each bond act has provided that a separate section shall be included in the budget bill containing proposed appropriations only for the purposes specified in each bond act. The fund is available only as authorized by the Legislature except that projects may be augmented by the Director of Finance, when approved by the Public Works Board, for increased costs of construction pursuant to Sections 16352.5 and 16354 of the Government Code.

**State Appropriations Limit**
Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Bond Fund.

**Comments/Historical Information**