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**GOVERNMENT CODE - GOV**

**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]** ( Title 2 enacted by Stats. 1943, Ch. 134. )

**DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3]** ( Division 3 added by Stats. 1945, Ch. 111. )

**PART 10b. STATE BUILDING CONSTRUCTION [15800 - 15849.7]** ( Part 10b added by Stats. 1955, Ch. 1686. )

**CHAPTER 3.2.1. Revenue Bond Financing of Prison Construction—Phase I [15819.40 - 15819.404]** ( Chapter 3.2.1 added by Stats. 2007, Ch. 7, Sec. 2. )

**15819.40.** (a) (1) (A) The Department of Corrections and Rehabilitation may design and construct new, or renovate existing, housing units, support buildings, programming space, and any necessary ancillary improvements in order to add capacity at facilities under its jurisdiction. The department shall complete site assessments at facilities at which it intends to construct or renovate additional housing units, support buildings, programming space, or ancillary improvements. The department may use the funding provided in Section 28 of Chapter 7 of the Statutes of 2007 to complete these site assessments.

(B) The authority contained in subparagraph (A) may be used to develop new beds including appropriate programmatic space pursuant to paragraph (2) and, together with the funds appropriated in Section 15819.403 for this purpose, shall constitute the scope of a single capital outlay project for purposes of calculating augmentations pursuant to Section 13332.11 or Section 13332.19 as described in Section 15819.401.

(2) Any new beds constructed pursuant to this section shall be supported by rehabilitative programming for inmates, including, but not limited to, education, vocational programs, substance abuse treatment programs, employment programs, and prerelease planning.

(3) The authority contained in this subdivision may be used to develop beds and treatment space to serve inmates requiring mental health or medical services. Any beds developed with a medical or mental health purpose shall be supported with rehabilitative programming, as defined in paragraph (2), that is consistent with the medical or mental health services required by the inmates.

(b) The Department of Corrections and Rehabilitation is authorized to design and construct new, or renovate existing, buildings and any necessary ancillary improvements, at facilities under the jurisdiction of the department to provide medical, dental, and mental health treatment or housing and, together with the funds appropriated in Section 15819.403 for this purpose, this shall constitute the scope and cost of a single capital outlay project for purposes of calculating augmentations pursuant to Section 13332.11 or Section 13332.19 as described in Section 15819.401.

(c) (1) The scope and cost of each project authorized by this chapter shall be established individually by the board. The amount of the total appropriations in Section 15819.403 that is necessary for each project shall be allocated to each project. The appropriations may be allocated based on current estimates. These allocations may be adjusted commensurate to changes that occur during the progression of the projects. As allocations are made or adjusted, the anticipated deficit or savings shall be continuously tracked and reported. Once the total appropriation has been allocated, any augmentation necessary to fund an anticipated deficit shall be based on the total applicable capital outlay appropriation in Section 15819.403 and applied to each project allocation as necessary.

(2) Concurrent with the request to the board to establish each project in the Health Care Facility Improvement Program, the department shall report the associated scope, cost, and schedule information to the Joint Legislative Budget Committee.

(3) The reporting requirements set forth in Sections 7000 to 7003.5, inclusive, of the Penal Code shall apply separately to each project authorized pursuant to this chapter.

(Amended by Stats. 2012, Ch. 42, Sec. 1. (SB 1022) Effective June 27, 2012.)

**15819.401.** The scope and costs of the projects authorized by this chapter shall be subject to approval and administrative oversight by the board, including augmentations, pursuant to Section 13332.11 or Section 13332.19. For purposes of this chapter, the availability of an augmentation for each individual project allocation shall be calculated based on the total applicable capital outlay appropriation contained in Section 15819.403 and is not limited to 20 percent of the individual project allocation.

*(Amended by Stats. 2012, Ch. 42, Sec. 2. (SB 1022) Effective June 27, 2012.)*

**15819.402.** For all projects authorized by this chapter, the board may borrow funds for project costs, including studies, design, construction, and construction-related costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313. Except for preliminary expenditures to develop the scope, budget, programming, and scheduling for a project, project funds expended prior to project approval by the board shall not be reimbursable from the proceeds of the bonds.

*(Amended by Stats. 2012, Ch. 42, Sec. 3. (SB 1022) Effective June 27, 2012.)*

**15819.403.** (a) The board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to this part to finance the design and construction, including, without limitation, renovation, and the costs of interim financing of the projects authorized in Section 15819.40. Authorized costs for design and construction, including, without limitation, renovation, and construction-related costs for all projects approved for financing by the board shall not exceed one billion six million three hundred sixty-nine thousand dollars (\$1,006,369,000) for subdivision (a) of Section 15819.40, and one billion one hundred twenty-nine million one hundred fifty-seven thousand dollars (\$1,129,157,000) for subdivision (b) of Section 15819.40.

(b) Notwithstanding Section 13340, funds derived from interim financing, revenue bonds, negotiable notes, or negotiable bond anticipation notes issued pursuant to this chapter are hereby continuously appropriated to the board on behalf of the Department of Corrections and Rehabilitation for the purposes specified in Section 15819.40.

(c) For the purposes of this section, "construction-related costs" shall include mitigation costs of local government and school districts and shall be made available pursuant to subdivisions (c) and (d) of Section 7005.5 of the Penal Code. It is the intent of the Legislature that any payments made for mitigation shall be made in a timely manner.

(d) Notwithstanding any other law, the financing authorized in this section for projects approved pursuant to subdivision (a) of Section 15819.40 shall only be used for the California Health Care Facility, Stockton project and the conversion of the DeWitt Nelson Youth Correctional Facility to a semiautonomous annex facility to the California Health Care Facility. In addition, the financing authorized in this section for projects approved pursuant to subdivision (b) of Section 15819.40 shall only be used for the following projects:

- (1) The California Medical Facility, Vacaville: Intermediate Care Facility.
- (2) The California Institution for Women, Chino: Acute/Intermediate Care Facility.
- (3) The California State Prison Los Angeles County, Lancaster: Enhanced Outpatient Program Treatment and Office Space.
- (4) The California Men's Colony, San Luis Obispo: Mental Health Crisis Beds Facility.
- (5) The California Medical Facility, Vacaville: Enhanced Outpatient Program Treatment and Office Space.
- (6) The California State Prison, Sacramento: Psychiatric Services Unit Treatment and Office Space.
- (7) The California State Prison, Corcoran: Administrative Segregation Unit/Enhanced Outpatient Program Treatment and Office Space.
- (8) The Salinas Valley State Prison, Soledad: Enhanced Outpatient Program Treatment and Office Space.
- (9) The Central California Women's Facility, Chowchilla: Enhanced Outpatient Program Treatment and Office Space.
- (10) All projects established by the board in the Health Care Facility Improvement Program.

*(Amended by Stats. 2021, Ch. 72, Sec. 1. (SB 146) Effective July 12, 2021.)*

**15819.404.** Notwithstanding Section 15819.403, the amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold may include the following:

(a) The cost of design and construction, including, without limitation, renovation, or construction management and supervision, and other costs related to the design and construction, including, without limitation, renovation, of the facilities, including augmentations.

(b) Sums necessary to pay interim financing.

(c) In addition to the amount authorized by Section 15819.403, any additional amount as may be authorized by the board to establish a reasonable construction reserve and to pay the costs of financing, including the payment of interest prior to, during, and for a period of six months after construction of the project, the cost of financing a debt-service reserve fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim loan for the facility from the General Fund or the Pooled Money Investment Account pursuant to Sections 16312 and 16313.

*(Amended by Stats. 2012, Ch. 42, Sec. 5. (SB 1022) Effective June 27, 2012.)*