

AMENDED IN SENATE APRIL 11, 2011

AMENDED IN SENATE MARCH 30, 2011

SENATE BILL

No. 907

Introduced by Senator Evans

(Principal coauthor: Assembly Member V. Manuel Pérez)

February 18, 2011

An act to add *and repeal* Title 18.2 (commencing with Section 99090) to of the Government Code, relating to infrastructure financing and development.

LEGISLATIVE COUNSEL'S DIGEST

SB 907, as amended, Evans. Master Plan for Infrastructure Financing and Development Commission.

The California Constitution regulates the issuance of debt by the state and requires that debt in excess of \$300,000 for which the state will be generally obligated be submitted to, and approved by, the voters.

~~This bill would create the Master Plan for Infrastructure Financing and Development Commission, the mission of which would be to develop and recommend a plan to be presented to the Governor and Legislature that provides for financing, building, and maintaining the infrastructure necessary to meet the needs of Californians from the present year to the year 2050, and to establish a process for periodically adjusting and adapting the plan in coming years to meet changing circumstances. The bill would require that the commission consist of 11 members: the Treasurer or his or her designee, and members appointed by the Governor, the Speaker of the Assembly, and the Senate Committee on Rules. The bill would authorize the Governor to appoint the chair of the commission from among the commission members who would work full time on commission business for an unspecified salary.~~

~~The bill would require the chair, with the concurrence of the commission, to appoint an executive director, who would be exempt from civil service and be paid an unspecified salary. The bill would require that funding for the operating costs of the commission be available upon appropriation by the Legislature. The bill would require the chair of the commission to appoint the members of specified task force committees, to be composed of both members and nonmembers of the commission, and would require commission members to chair at least one task force committee in which they have expertise. The bill would provide that the subject matter responsibilities of these task force committees include, but not be limited to, planning and financing, transportation, housing, natural resources and conservation, and education. The commission would be required to establish a timeline for submission of periodic reports on its findings to the Governor and Legislature, provide an opportunity for public comment and participation, and to incorporate existing state and local infrastructure reports, as specified, that reflect current or future infrastructure needs into its recommendations. The bill would require the commission to submit its final report to the Governor and Legislature no later than December 1, 2013, and to be dissolved 30 days after issuance of the final report.~~

This bill would create the Master Plan for Infrastructure Financing and Development Commission, consisting of specified members, and would require the commission to prepare and submit a strategy and plan for infrastructure development in California that meets certain criteria to the Legislature and the Governor by December 1, 2013. This bill would provide that the commission would dissolve 30 days after submission of its final report. This bill would repeal these provisions upon the dissolution of the commission.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Title 18.2 (commencing with Section 99090) is
- 2 added to the Government Code, to read:

1 TITLE 18.2. MASTER PLAN FOR INFRASTRUCTURE
2 FINANCING AND DEVELOPMENT COMMISSION

3
4 CHAPTER 1. GENERAL PROVISIONS
5

6 99090. The Legislature finds and declares all of the following:

7 (a) By 2050, an estimated 60 million people will call California
8 home, twice as many people who lived here in 2003, while our
9 current infrastructure of schools, universities, roads, housing, and
10 water delivery was built to serve 25 million residents.

11 (b) The Governor’s Strategic Growth Plan estimates that the
12 state has approximately five hundred billion dollars
13 (\$500,000,000,000) in infrastructure needs over the next 20 years.
14 While the state needs five hundred billion dollars
15 (\$500,000,000,000) of infrastructure investment, experts conclude
16 that public funds, including state and local dollars, can only finance
17 up to three hundred billion dollars (\$300,000,000,000) in projects,
18 leaving approximately two hundred billion dollars
19 (\$200,000,000,000) in unfunded infrastructure needs.

20 (c) California must examine ways to close the infrastructure
21 financing gap through all types of innovative financing available.

22 (d) Our state lacks information that is both independent and
23 comprehensive to assist policymakers *to* analyze and prioritize the
24 myriad of California’s infrastructure needs. For this reason, it is
25 necessary to create a ~~master plan to~~ *strategy and plan for*
26 *infrastructure development that enables California to address*
27 *social, economic, and resource needs through 2050. This strategy*
28 *must be founded on the principle that infrastructure provides a*
29 *means to achieve public, economic, and policy objectives. As such,*
30 *the strategy will* assess infrastructure needs, establish priorities to
31 guide future decisions that relate to infrastructure projects, and
32 assess the viability of various financing mechanisms to meet the
33 state’s infrastructure development needs.

34 (e) ~~It is the mission of the Master Plan for Infrastructure~~
35 ~~Financing and Development Commission to develop and~~
36 ~~recommen~~a plan to be presented to the Governor and Legislature
37 that provides for financing, building, and maintaining the
38 infrastructure necessary to meet the needs of Californians from
39 the present year to the year 2050, and to establish a process for

1 ~~periodically adjusting and adapting the plan in coming years to~~
2 ~~meet changing circumstances.~~

3 *(e) It is the mission of the Master Plan for Infrastructure*
4 *Financing and Development to develop and recommend a plan*
5 *and process to identify, finance, build, and maintain infrastructure*
6 *necessary to meet the needs of Californians from the present year*
7 *to the year 2050. The plan shall be submitted to the Governor and*
8 *the Legislature, and shall include, at a minimum, the type,*
9 *distribution, and priority for developing infrastructure projects,*
10 *and a measurable process to implement the plan. The plan shall*
11 *also include a process to periodically adjust the type, distribution,*
12 *and priority of infrastructure projects in coming years to meet*
13 *changing circumstances.*

14 99091. It is the intent of the Legislature that the Master Plan
15 for Infrastructure Financing and Development Commission provide
16 a long-term ~~guidelines for plan and strategy to meet~~ our state's
17 infrastructure needs and a prioritized plan that meets those needs
18 by doing all of the following:

19 (a) Project population, social, and economic trends through
20 2050.

21 (b) Utilizing the projections established pursuant to subdivision
22 ~~(a), assess the state's capital needs for transportation, education,~~
23 ~~housing, and water through 2050, including the need for private~~
24 ~~capital to augment or complement public financing. (a), identify~~
25 *the type and distribution of infrastructure needed to meet*
26 *California's social, economic, and resource needs through 2050.*

27 (c) Incorporate the findings of ongoing state infrastructure
28 planning and reporting requirements.

29 (d) Using the assessment of type, distribution, and priority of
30 infrastructure needed pursuant to subdivision (b), assess the state's
31 capital needs for infrastructure projects through 2050, including
32 opportunities to access private capital to augment or complement
33 public financing.

34 ~~(e)~~

35 (e) Assess the availability of private and public funds, including
36 the status and fiscal value of dedicating future revenues to specific
37 construction and maintenance, to support jointly sponsored projects
38 throughout the period from the present year to 2050.

1 ~~(d) Assess the status and fiscal value of dedicating future~~
2 ~~revenues to specific infrastructure construction and maintenance,~~
3 ~~including transportation and schools.~~

4 (e)

5 (f) Recommend a financing plan for the capital needs through
6 2050, with a priority plan for each five-year interval, including
7 evaluation and recommendations of various financing methods
8 that are feasible and may be of benefit to state and local
9 government *as well as private entities partnering with the state to*
10 *implement the strategy.*

11 ~~(f) Incorporate the findings of ongoing state infrastructure~~
12 ~~planning and reporting requirements.~~

13 99092. The Master Plan for Infrastructure Financing and
14 Development Commission is hereby created in state government.
15 For purposes of this title, “commission” means the Master Plan
16 for Infrastructure Financing and Development Commission.

17
18 CHAPTER 2. COMMISSION STRUCTURE AND STAFF

19
20 Article 1. Commission Structure

21
22 99095. The commission shall consist of 11 members, to be
23 selected as follows:

24 (a) The Treasurer or his or her designee who has a public finance
25 background.

26 (b) ~~Four~~ *Six* members appointed by the Governor who have the
27 following qualifications:

28 (1) One private sector representative from organized labor.

29 (2) One private sector representative from a statewide
30 organization representing California businesses.

31 (3) One member representing the public.

32 (4) One member of the administration who is a director of a
33 state agency or department.

34 (5) *One member with expertise and experience in the financing*
35 *of large public works projects.*

36 (6) *One member who is an economist with demonstrated*
37 *accomplishment in understanding and interpreting the California*
38 *economy.*

39 (c) ~~Three~~ *Two* members appointed by the Speaker of the
40 Assembly who have the following qualifications:

- 1 (1) One member with expertise in transportation.
 2 (2) One member with expertise in natural resources and
 3 conservation.
 4 ~~(3) One member with expertise and experience in the financing~~
 5 ~~of large public works projects.~~
 6 (d) ~~Three~~ *Two* members appointed by the Senate Committee on
 7 Rules who have the following qualifications:
 8 (1) One member with expertise in education infrastructure
 9 planning.
 10 (2) One member with experience in housing, urban planning,
 11 or financing.
 12 ~~(3) One member who is an economist with demonstrated~~
 13 ~~accomplishment in understanding and interpreting the California~~
 14 ~~economy.~~
 15 99096. (a) The Governor shall appoint the chair of the
 16 commission among those members appointed pursuant to Section
 17 99095. The chair of the commission shall devote his or her full-time
 18 attention to the responsibilities of the position during the term of
 19 the commission's existence. Salary for the chair shall be _____.
 20 (b) The Treasurer or his or her designee shall be the vice chair
 21 of the commission.
 22 (c) *Appointed commission members shall serve at the pleasure*
 23 *of their appointing powers.*
 24 99097. (a) The commission may adopt bylaws for the
 25 regulation of its affairs and the conduct of its business.
 26 (b) The commission shall meet on the call of the chairperson
 27 or at the request of a majority of the members. A majority of all
 28 members of the commission constitutes a quorum for the
 29 transaction of business. All members shall have a vote.
 30 (c) The commission is subject to the provisions of the
 31 Bagley-Keene Open Meeting Act (Article 9 (commencing with
 32 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) and
 33 the Political Reform Act of 1974 (Title 9 (commencing with
 34 Section 81000)).
 35 (d) The commission may delegate to staff the authority to enter
 36 into contracts for services on its behalf, including interagency
 37 agreements, subject to relevant state law.
 38 99098. Funding for the operating costs of the commission shall
 39 be available upon appropriation by the Legislature.

1 99099. Except as otherwise provided in this title, members of
2 the commission shall not receive a salary, and shall be entitled to
3 a per diem allowance of fifty dollars (\$50) for each day's
4 attendance at a meeting of the commission, not to exceed three
5 hundred dollars (\$300) in any month, and reimbursement for
6 expenses incurred in the performance of their duties under this
7 chapter, including travel and other necessary expenses.

8
9 Article 2. Commission Staff

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11 99100. The chair of the commission, with the concurrence of
12 the commission, shall appoint an executive director, who shall be
13 exempt from civil service. Salary for the executive director shall
14 be ____.

15 99101. Commission staff may be loaned from relevant agencies,
16 and the executive director shall examine ways to provide for loan
17 of staff from *state and* local government and private nonprofit
18 organizations who have relevant expertise through partnerships,
19 subject to approval and direction by the commission and the chair.

20
21 Article 3. Commission Duties

22
23 99110. (a) The chair of the commission shall appoint the
24 members on the task force committees described in Article 4
25 (commencing with Section 99120), which shall be composed of
26 both members and nonmembers of the commission. Commission
27 members ~~shall~~ *may* chair at least one task force committee in which
28 they have expertise.

29 (b) (1) The commission shall submit its final report to the
30 Governor and Legislature no later than December 1, 2013, and
31 shall dissolve 30 days after issuance of the final report. To the
32 extent necessary, the commission shall recommend a method to
33 track the state's infrastructure progress and to reassess the master
34 plan periodically.

35 (2) A report to be submitted pursuant to paragraph (1) shall be
36 submitted in compliance with Section 9795.

37 (c) *The final report shall contain a plan identifying the types,*
38 *distribution, and priority for developing infrastructure projects*
39 *needed to meet California's social, economic, and resource needs*
40 *through 2050, and a measurable process to implement the plan.*

1 *The plan shall also include a process to periodically adjust the*
 2 *type, distribution, and priority of infrastructure projects in coming*
 3 *years to meet changing circumstances.*

4 ~~(e)~~

5 (d) When developing its recommendations, the commission
 6 shall utilize existing state and local infrastructure reports that reflect
 7 current or future infrastructure needs, including, but not limited
 8 to the following:

9 (1) The Governor's five-year infrastructure plan, as described
 10 in Article 2 (commencing with Section 13100) of Chapter 2 of
 11 Part 3 of Division 3 of Title 2.

12 (2) The State Environmental Goals and Policy Report, as
 13 described in Article 5 (commencing with Section 65041) of Chapter
 14 1.5 of Division 1 of Title 7.

15 (3) The California Transportation Plan, as described in Chapter
 16 2.3 (commencing with Section 65070) of Division 1 of Title 7.

17 (4) Sustainable communities strategies, as described in Chapter
 18 2.5 (commencing with Section 65080) of Division 1 of Title 7.

19 (5) Greenhouse gas emissions reduction planning, as described
 20 in Part 4 (commencing with Section 38560) of Division 25.5 of
 21 the Health and Safety Code.

22 (6) The California Water Plan, as described in Chapter 1
 23 (commencing with Section 10004) of Part 1.5 of Division 6 of the
 24 Water Code.

25 ~~(d)~~

26 (e) The commission shall have authority to call on experts to
 27 assist them or the task force committees in developing the master
 28 plan.

29 ~~(e)~~

30 (f) All commission products shall incorporate opportunity for
 31 public comment and participation.

32 ~~(f)~~

33 (g) The commission shall establish a timeline for submission
 34 of periodic reports on their findings to the Governor and Legislature
 35 prior to issuance of the final report.

36

37 Article 4. Commission Task Force Committees

38

39 99120. (a) The commission shall establish working task force
 40 committees that will assess, inventory, and report on the state's

1 long-term needs and financing alternatives. The task force
2 committees shall include, but not limited to, the following:

- 3 (1) Planning and financing.
- 4 (2) Transportation.
- 5 (3) Housing.
- 6 (4) Natural resources and conservation.
- 7 (5) Education.

8 (b) Each committee shall include the following:

9 (1) A chair of the task force committee, who ~~shall~~ *may* be a
10 commission member with expertise in the committee's particular
11 study area.

12 (2) Appropriate experts on the committee's particular study
13 area, who also have background experience in the following:

- 14 (A) Public finance.
- 15 (B) Working knowledge of local government.
- 16 (C) Working knowledge of state government.
- 17 (3) Representatives from the following communities:
 - 18 (A) Labor.
 - 19 (B) Business.
 - 20 (C) Environmental.
 - 21 (D) Building industry.
 - 22 (E) Consumer organization.
 - 23 (F) Taxpayer organization.

24 (4) Additional experts, or experienced people who are
25 knowledgeable about the committee's particular study area, as
26 deemed necessary by the chair, in consultation with the
27 commission.

28 99121. (a) The chair of each task force committee, with the
29 concurrence of the commission, shall develop a work plan, assign
30 responsibilities and deadlines for performance, and shall convene
31 meetings of the task force committees. Task force committees shall
32 meet ~~at least once each month~~ *as necessary to meet the goals of*
33 *the work plan.*

34 (b) Task force committee members shall establish a method for
35 reaching consensus on their findings and recommendations to the
36 commission. The chair of each task force committee shall be
37 responsible of presenting the committee's final recommendations
38 to the commission.

1 (c) At the direction of the chair of the commission, the task
2 force committees shall provide analyses and commentary to the
3 commission in a timely matter for all commission products.

4

5

CHAPTER 3. REPEAL

6

7 99122. *This title shall remain in effect only until the commission*
8 *is dissolved pursuant to subdivision (b) of Section 99110, and as*
9 *of that date is repealed, unless a later enacted statute, that is*
10 *enacted before the commission is dissolved, deletes or extends that*
11 *date.*