

AMENDED IN SENATE MAY 3, 2011
AMENDED IN SENATE APRIL 25, 2011
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) 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, 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. The bill would provide that these provisions become operative only if the funds required to support

the commission are appropriated and made available in the annual Budget Act.

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:

3
4 TITLE 18.2. MASTER PLAN FOR INFRASTRUCTURE
5 FINANCING AND DEVELOPMENT COMMISSION

6
7 CHAPTER 1. GENERAL PROVISIONS

8
9 99090. The Legislature finds and declares all of the following:

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

14 (b) The Governor’s Strategic Growth Plan estimates that the
15 state has approximately five hundred billion dollars
16 (\$500,000,000,000) in infrastructure needs over the next 20 years.
17 While the state needs five hundred billion dollars
18 (\$500,000,000,000) of infrastructure investment, experts conclude
19 that public funds, including state and local dollars, can only finance
20 up to three hundred billion dollars (\$300,000,000,000) in projects,
21 leaving approximately two hundred billion dollars
22 (\$200,000,000,000) in unfunded infrastructure needs.

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

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

1 decisions that relate to infrastructure projects, and assess the
2 viability of various financing mechanisms to meet the state's
3 infrastructure development needs.

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

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

20 (a) Project population, social, and economic trends through
21 2050.

22 (b) Utilizing the projections established pursuant to subdivision
23 (a), identify the type and distribution of infrastructure needed to
24 meet California's social, economic, and resource needs through
25 2050.

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

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

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

37 (f) Recommend a financing plan for the capital needs through
38 the year 2050, with a priority plan for each five-year interval,
39 including evaluation and recommendations of various financing
40 methods that are feasible and may be of benefit to state and local

1 government as well as private entities partnering with the state to
 2 implement the strategy.
 3 99092. The Master Plan for Infrastructure Financing and
 4 Development Commission is hereby created in state government.
 5 For purposes of this title, “commission” means the Master Plan
 6 for Infrastructure Financing and Development Commission.

7
 8 CHAPTER 2. COMMISSION STRUCTURE AND STAFF

9
 10 Article 1. Commission Structure

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 12 99095. The commission shall consist of 11 members, to be
 13 selected as follows:

14 (a) The Treasurer or his or her designee who has a public finance
 15 background.

16 (b) Six members appointed by the Governor who have the
 17 following qualifications:

- 18 (1) One private sector representative from organized labor.
- 19 (2) One private sector representative from a statewide
 20 organization representing California businesses.
- 21 (3) One member representing the public.
- 22 (4) One member of the administration who is a director of a
 23 state agency or department.

24 (5) One member with expertise and experience in the financing
 25 of large public works projects.

26 (6) One member who is an economist with demonstrated
 27 accomplishment in understanding and interpreting the California
 28 economy.

29 (c) Two members appointed by the Speaker of the Assembly
 30 who have the following qualifications:

- 31 (1) One member with expertise in transportation.
- 32 (2) One member with expertise in natural resources and
 33 conservation.

34 (d) Two members appointed by the Senate Committee on Rules
 35 who have the following qualifications:

- 36 (1) One member with expertise in education infrastructure
 37 planning.
- 38 (2) One member with experience in housing, urban planning,
 39 or financing.

1 99096. (a) The Governor shall appoint the chair of the
2 commission among those members appointed pursuant to Section
3 99095. The chair of the commission shall devote his or her full-time
4 attention to the responsibilities of the position during the term of
5 the commission's existence. Salary for the chair shall be ~~_____~~
6 *comparable to the salary of a director of a state department at the*
7 *time of the chair's appointment, but shall not exceed one hundred*
8 *fifty thousand dollars (\$150,000) per year.*

9 (b) The Treasurer or his or her designee shall be the vice chair
10 of the commission.

11 (c) Appointed commission members shall serve at the pleasure
12 of their appointing powers.

13 99097. (a) The commission may adopt bylaws for the
14 regulation of its affairs and the conduct of its business.

15 (b) The commission shall meet on the call of the chairperson
16 or at the request of a majority of the members. A majority of all
17 members of the commission constitutes a quorum for the
18 transaction of business. All members shall have a vote.

19 (c) The commission is subject to the provisions of the
20 Bagley-Keene Open Meeting Act (Article 9 (commencing with
21 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) and
22 the Political Reform Act of 1974 (Title 9 (commencing with
23 Section 81000)).

24 (d) The commission may delegate to staff the authority to enter
25 into contracts for services on its behalf, including interagency
26 agreements, subject to relevant state law.

27 99098. Funding for the operating costs of the commission shall
28 be available upon appropriation by the Legislature.

29 99099. Except as otherwise provided in this title, members of
30 the commission shall not receive a salary, and shall be entitled to
31 a per diem allowance of fifty dollars (\$50) for each day's
32 attendance at a meeting of the commission, not to exceed three
33 hundred dollars (\$300) in any month, and reimbursement for
34 expenses incurred in the performance of their duties under this
35 chapter, including travel and other necessary expenses.

36
37 Article 2. Commission Staff

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39 99100. The chair of the commission, with the concurrence of
40 the commission, shall appoint an executive director, who shall be

1 exempt from civil service. Salary for the executive director shall
2 be ~~_____~~ *set by the commission at a rate that is comparable to the*
3 *salary of a director of a state department at the time of the*
4 *executive director's appointment, but shall not exceed one hundred*
5 *fifty thousand dollars (\$150,000) per year.*

6 99101. Commission staff may be loaned from relevant agencies,
7 and the executive director shall examine ways to provide for loan
8 of staff from state and local government and private nonprofit
9 organizations who have relevant expertise through partnerships,
10 subject to approval and direction by the commission and the chair.

11

12 Article 3. Commission Duties

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14 99110. (a) The chair of the commission shall appoint the
15 members on the task force committees described in Article 4
16 (commencing with Section 99120), which shall be composed of
17 both members and nonmembers of the commission. Commission
18 members may chair at least one task force committee in which
19 they have expertise.

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

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

28 (c) The final report shall contain a plan identifying the types,
29 distribution, and priority for developing infrastructure projects
30 needed to meet California's social, economic, and resource needs
31 through 2050, and a measurable process to implement the plan.
32 The plan shall also include a process to periodically adjust the
33 type, distribution, and priority of infrastructure projects in coming
34 years to meet changing circumstances.

35 (d) When developing its recommendations, the commission
36 shall utilize existing state and local infrastructure reports that reflect
37 current or future infrastructure needs, including, but not limited
38 to the following:

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

4 (2) The State Environmental Goals and Policy Report, as
5 described in Article 5 (commencing with Section 65041) of Chapter
6 1.5 of Division 1 of Title 7.

7 (3) The California Transportation Plan, as described in Chapter
8 2.3 (commencing with Section 65070) of Division 1 of Title 7.

9 (4) Sustainable communities strategies, as described in Chapter
10 2.5 (commencing with Section 65080) of Division 1 of Title 7.

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

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

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

20 (f) All commission products shall incorporate opportunity for
21 public comment and participation.

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

25

26 Article 4. Commission Task Force Committees

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28 99120. (a) The commission shall establish working task force
29 committees that will assess, inventory, and report on the state’s
30 long-term needs and financing alternatives. The task force
31 committees shall include, but not limited to, the following:

32 (1) Planning and financing.

33 (2) Transportation.

34 (3) Housing.

35 (4) Natural resources and conservation.

36 (5) Education.

37 (b) Each committee shall include the following:

38 (1) A chair of the task force committee, who may be a
39 commission member with expertise in the committee’s particular
40 study area.

- 1 (2) Appropriate experts on the committee's particular study
2 area, who also have background experience in the following:
3 (A) Public finance.
4 (B) Working knowledge of local government.
5 (C) Working knowledge of state government.
6 (3) Representatives from the following communities:
7 (A) Labor.
8 (B) Business.
9 (C) Environmental.
10 (D) Building industry.
11 (E) Consumer organization.
12 (F) Taxpayer organization.
13 (4) Additional experts, or experienced people who are
14 knowledgeable about the committee's particular study area, as
15 deemed necessary by the chair, in consultation with the
16 commission.
- 17 99121. (a) The chair of each task force committee, with the
18 concurrence of the commission, shall develop a work plan, assign
19 responsibilities and deadlines for performance, and shall convene
20 meetings of the task force committees. Task force committees shall
21 meet as necessary to meet the goals of the work plan.
- 22 (b) Task force committee members shall establish a method for
23 reaching consensus on their findings and recommendations to the
24 commission. The chair of each task force committee shall be
25 responsible of presenting the committee's final recommendations
26 to the commission.
- 27 (c) At the direction of the chair of the commission, the task
28 force committees shall provide analyses and commentary to the
29 commission in a timely matter for all commission products.

30
31 CHAPTER 3. REPEAL
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- 33 99122. This title shall remain in effect only until the
34 commission is dissolved pursuant to subdivision (b) of Section
35 99110, and as of that date is repealed, unless a later enacted statute,
36 that is enacted before the commission is dissolved, deletes or
37 extends that date.
- 38 99123. (a) This title shall become operative only if the funds
39 required to support the commission are appropriated, and made
40 available for purposes of this title in the annual Budget Act, in

1 accordance with Section 12 of Article IV of the California
2 Constitution, or ensuing authorizing statutes.

3 (b) The funds shall be appropriated from the California Debt
4 and Investment Advisory Commission fund, established pursuant
5 to Section 8856 of the Government Code.

6 (c) The Legislature declares that the use of the California Debt
7 and Investment Advisory Commission funds for purposes of this
8 title are appropriate and consistent with paragraph (4) of
9 subdivision (h) of Section 8855 of the Government Code.

O