

AMENDED IN ASSEMBLY APRIL 19, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2579

Introduced by Assembly Member Evans

February 19, 2010

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2579, 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 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 who would work ~~full-time~~ *full time* on commission business for an unspecified salary. The bill would authorize 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 ~~their~~ *its* findings to the Governor and Legislature, provide opportunity for public comment and participation, and to incorporate ~~the “Governor’s Five Year Infrastructure Plan” and the “State Environmental Goals and Policy Report” into its long-term planning~~ *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, 2012, and to be dissolved 30 days after issuance of the final report.

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 as 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 \$500 billion in infrastructure needs over

1 the next 20 years. While the state needs \$500 billion of
2 infrastructure investment, experts conclude that public funds,
3 including state and local dollars, can only finance up to of \$300
4 billion in projects, leaving approximately \$200 billion in unfunded
5 infrastructure needs.

6 ~~(c) California cannot solely rely on general obligation or lease~~
7 ~~revenue bonds to pay for infrastructure, and must examine ways~~
8 ~~to close the infrastructure financing gap through other all types of~~
9 ~~innovative financing available.~~

10 ~~(d) Our state lacks a systematic process of analyzing and~~
11 ~~prioritizing the myriad of infrastructure needs. While it is arguable~~
12 ~~that long-term plans are in place for transportation, and perhaps~~
13 ~~water, no single plan is in place that takes into account all of~~
14 ~~California's needs.~~

15 *(d) Our state lacks information that is both independent and*
16 *comprehensive to assist policymakers analyze and prioritize the*
17 *myriad of California's infrastructure needs. For this reason, it is*
18 *necessary to create a master plan to assess infrastructure needs*
19 *and, establish priorities to guide policymakers in making future*
20 *decisions that relate to infrastructure projects, and assess the*
21 *viability of various financing mechanisms to meet the state's*
22 *infrastructure development needs.*

23 (e) It is the mission of the Master Plan for Infrastructure
24 Financing and Development Commission to develop and
25 recommend a plan to be presented to the Governor and Legislature
26 that provides for ~~building financing, building,~~ and maintaining the
27 infrastructure necessary to meet the needs of Californians from
28 the present to the year 2050, and to establish a process for
29 periodically adjusting and adapting the plan in coming years to
30 meet changing circumstances.

31 99091. It is the intent of the Legislature that the Master Plan
32 for Infrastructure Financing and Development Commission provide
33 long-term guidelines for our state's infrastructure needs and a
34 prioritized plan that meets those needs by doing all of the
35 following:

36 (a) Project population, social, and economic trends through
37 2050.

38 (b) Utilizing the projections established pursuant to subdivision
39 (a), assess the state's capital needs for transportation, education,

1 housing, and water through 2050, including the need for private
2 capital to augment or complement public financing.

3 (c) Assess the availability of private and public funds to support
4 jointly sponsored projects throughout the period from the present
5 to 2050.

6 (d) Assess the status and fiscal value of dedicating future
7 revenues to specific infrastructure construction and maintenance,
8 including transportation and schools.

9 (e) Recommend a financing plan for the capital needs through
10 2050, with a priority plan for each five-year interval, including
11 evaluation and recommendations of various financing methods
12 that are feasible and may be of benefit to state and local
13 government.

14 (f) *Incorporate the findings of ongoing state infrastructure*
15 *planning and reporting requirements.*

16 99092. For purposes of this title, “commission” means the
17 Master Plan for Infrastructure Financing and Development
18 Commission.

19
20 CHAPTER 2. COMMISSION STRUCTURE AND STAFF

21
22 Article 1. Commission Structure

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24 99095. The commission shall consist of 11 members, to be
25 selected as follows:

26 (a) The Treasurer or his or her designee who has a public finance
27 background.

28 (b) Four members appointed by the Governor:

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

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

32 (3) One member representing the public.

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

35 (c) Three members appointed by the Speaker of the Assembly
36 who have the following qualifications:

37 (1) One member with expertise in transportation.

38 (2) One member with expertise in natural resources and
39 conservation.

1 (3) One member with expertise and experience in the financing
2 of large public works projects.

3 (d) Three members appointed by the Senate Committee on Rules
4 who have the following qualifications:

5 (1) One member with expertise in education infrastructure
6 planning.

7 (2) One member with experience in housing, urban planning,
8 or financing.

9 (3) One member who is an economist with demonstrated
10 accomplishment in understanding and interpreting the California
11 economy.

12 99096. (a) The Governor shall appoint the chair of the
13 commission. The chair of the commission shall devote his or her
14 full-time attention to the responsibilities of the position during the
15 term of the commission's existence. Salary for the chair shall be
16 ____.

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

19 99097. (a) The commission may adopt bylaws for the
20 regulation of its affairs and the conduct of its business.

21 (b) The commission shall meet on the call of the chairperson
22 or at the request of a majority of the members. A majority of all
23 members of the commission constitutes a quorum for the
24 transaction of business. All members shall have a vote.

25 (c) The commission is subject to the provisions of the
26 Bagley-Keene Open Meeting Act (Article 9 (commencing with
27 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2) and
28 the Political Reform Act of 1974 (Title 9 (commencing with
29 Section 81000)).

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

33 99098. Funding for the operating costs of the commission shall
34 be available upon appropriation by the Legislature.

35
36 Article 2. Commission Staff
37

38 99100. The chair of the commission, with the concurrence of
39 the commission, who appoint an executive director, who shall be

1 exempt from civil service. Salary for the executive director shall
2 be ____.

3 99101. Commission staff may be loaned from relevant agencies,
4 and the executive director shall examine ways to provide for loan
5 of staff from local government and private nonprofit organizations
6 who have relevant expertise through partnerships, subject to
7 approval and direction by the commission and the chair.

8 99105. Except as otherwise provided in this title, members of
9 the commission shall not receive a salary, and shall be entitled to
10 a per diem allowance of fifty dollars (\$50) for each day's
11 attendance at a meeting of the commission not to exceed three
12 hundred dollars (\$300) in any month, and reimbursement for
13 expenses incurred in the performance of their duties under this
14 chapter, including travel and other necessary expenses.

15
16 Article 3. Commission Duties
17

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

24 (b) The commission shall submit its final report to the Governor
25 and Legislature no later than December 1, 2012, and shall wind
26 up 30 days after issuance of the final report. To the extent
27 necessary, the commission shall recommend a method to track the
28 state's infrastructure progress and to reassess the master plan
29 periodically.

30 ~~(c) All commission products shall incorporate the "Governor's~~
31 ~~Five Year Infrastructure Plan" and the "State Environmental Goals~~
32 ~~and Policy Report" into their long-term planning recommendations.~~

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

37 *(1) The Governor's five-year infrastructure plan, as described*
38 *in Article 2 (commencing with Section 13100) of Chapter 2 of Part*
39 *3 of Division 3 of Title 2.*

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

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

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

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

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

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

(e) All commission products shall incorporate opportunity for public comment and participation.

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

Article 4. Commission Task Force Committees

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

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

(b) Each committee shall include the following:

(1) Chair of the task force, who shall be a commission member with expertise in the task force's particular study area.

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

- (A) Public finance.
- (B) Working knowledge of local government.

1 (C) Working knowledge of state government.

2 (3) Representatives from the following communities:

3 (A) Labor.

4 (B) Business.

5 (C) Environmental.

6 (D) Building industry.

7 (E) Consumer organization.

8 (F) Taxpayer organization.

9 (4) Additional expert or experienced people knowledgeable
10 about the task force's particular study area as deemed necessary
11 by the chair, in consultation with the commission.

12 99121. (a) The chair of each task force committee, with the
13 concurrence of the commission, shall develop a work plan, assign
14 responsibilities and deadlines for performance, and shall convene
15 meetings of the task force committees. Task force committees shall
16 meet at least once each month.

17 (b) Task force committee members shall establish a method for
18 reaching consensus on their findings and recommendations to the
19 commission. The chair of each task force committee shall be
20 responsible of presenting the committee's final recommendations
21 to the commission.

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