

Introduced by Senator Evans

(Principal coauthor: Assembly Member V. Manuel Pérez)

February 18, 2011

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

SB 907, as introduced, 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, 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:

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

TITLE 18.2. MASTER PLAN FOR INFRASTRUCTURE
FINANCING AND DEVELOPMENT COMMISSION

CHAPTER 1. GENERAL PROVISIONS

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

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

(b) The Governor's Strategic Growth Plan estimates that the state has approximately \$500 billion in infrastructure needs over the next 20 years. While the state needs \$500 billion of infrastructure investment, experts conclude that public funds, including state and local dollars, can only finance up to of \$300

1 billion in projects, leaving approximately \$200 billion in unfunded
2 infrastructure needs.

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

5 (d) Our state lacks information that is both independent and
6 comprehensive to assist policymakers analyze and prioritize the
7 myriad of California's infrastructure needs. For this reason, it is
8 necessary to create a master plan to assess infrastructure needs,
9 establish priorities to guide future decisions that relate to
10 infrastructure projects, and assess the viability of various financing
11 mechanisms to meet the state's infrastructure development needs.

12 (e) It is the mission of the Master Plan for Infrastructure
13 Financing and Development Commission to develop and
14 recommend a plan to be presented to the Governor and Legislature
15 that provides for financing, building, and maintaining the
16 infrastructure necessary to meet the needs of Californians from
17 the present year to the year 2050, and to establish a process for
18 periodically adjusting and adapting the plan in coming years to
19 meet changing circumstances.

20 99091. It is the intent of the Legislature that the Master Plan
21 for Infrastructure Financing and Development Commission provide
22 long-term guidelines for our state's infrastructure needs and a
23 prioritized plan that meets those needs by doing all of the
24 following:

25 (a) Project population, social, and economic trends through
26 2050.

27 (b) Utilizing the projections established pursuant to subdivision
28 (a), assess the state's capital needs for transportation, education,
29 housing, and water through 2050, including the need for private
30 capital to augment or complement public financing.

31 (c) Assess the availability of private and public funds to support
32 jointly sponsored projects throughout the period from the present
33 year to 2050.

34 (d) Assess the status and fiscal value of dedicating future
35 revenues to specific infrastructure construction and maintenance,
36 including transportation and schools.

37 (e) Recommend a financing plan for the capital needs through
38 2050, with a priority plan for each five-year interval, including
39 evaluation and recommendations of various financing methods

1 that are feasible and may be of benefit to state and local
2 government.

3 (f) Incorporate the findings of ongoing state infrastructure
4 planning and reporting requirements.

5 99092. The Master Plan for Infrastructure Financing and
6 Development Commission is hereby created in state government.
7 For purposes of this title, “commission” means the Master Plan
8 for Infrastructure Financing and Development Commission.

9
10 CHAPTER 2. COMMISSION STRUCTURE AND STAFF

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12 Article 1. Commission Structure

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14 99095. The commission shall consist of 11 members, to be
15 selected as follows:

16 (a) The Treasurer or his or her designee who has a public finance
17 background.

18 (b) Four members appointed by the Governor who have the
19 following qualifications:

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

21 (2) One private sector representative from a statewide
22 organization representing California businesses.

23 (3) One member representing the public.

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

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

28 (1) One member with expertise in transportation.

29 (2) One member with expertise in natural resources and
30 conservation.

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

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

35 (1) One member with expertise in education infrastructure
36 planning.

37 (2) One member with experience in housing, urban planning,
38 or financing.

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

99096. (a) The Governor shall appoint the chair of the commission among those members appointed pursuant to Section 99095. The chair of the commission shall devote his or her full-time attention to the responsibilities of the position during the term of the commission's existence. Salary for the chair shall be ____.

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

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

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

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

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

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

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

Article 2. Commission Staff

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

1 99101. Commission staff may be loaned from relevant agencies,
2 and the executive director shall examine ways to provide for loan
3 of staff from local government and private nonprofit organizations
4 who have relevant expertise through partnerships, subject to
5 approval and direction by the commission and the chair.

6
7 Article 3. Commission Duties
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9 99110. (a) The chair of the commission shall appoint the
10 members on the task force committees described in Article 4
11 (commencing with Section 99120), which shall be composed of
12 both members and nonmembers of the commission. Commission
13 members shall chair at least one task force committee in which
14 they have expertise.

15 (b) (1) The commission shall submit its final report to the
16 Governor and Legislature no later than December 1, 2012, and
17 shall dissolve 30 days after issuance of the final report. To the
18 extent necessary, the commission shall recommend a method to
19 track the state's infrastructure progress and to reassess the master
20 plan periodically.

21 (d) A report to be submitted pursuant to paragraph (1) shall be
22 submitted in compliance with Section 9795.

23 (c) When developing its recommendations, the commission
24 shall utilize existing state and local infrastructure reports that reflect
25 current or future infrastructure needs, including, but not limited
26 to the following:

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

30 (2) The State Environmental Goals and Policy Report, as
31 described in Article 5 (commencing with Section 65041) of Chapter
32 1.5 of Division 1 of Title 7.

33 (3) The California Transportation Plan, as described in Chapter
34 2.3 (commencing with Section 65070) of Division 1 of Title 7.

35 (4) Sustainable communities strategies, as described in Chapter
36 2.5 (commencing with Section 65080) of Division 1 of Title 7.

37 (5) Greenhouse gas emissions reduction planning, as described
38 in Part 4 (commencing with Section 38560) of Division 25.5 of
39 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) A chair of the task force committee, who shall be a commission member with expertise in the committee's particular study area.

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

- (A) Public finance.
 - (B) Working knowledge of local government.
 - (C) Working knowledge of state government.
- (3) Representatives from the following communities:
- (A) Labor.
 - (B) Business.
 - (C) Environmental.
 - (D) Building industry.
 - (E) Consumer organization.
 - (F) Taxpayer organization.

1 (4) Additional expert, or experienced people who are
2 knowledgeable about the committee's particular study area, as
3 deemed necessary by the chair, in consultation with the
4 commission.

5 99121. (a) The chair of each task force committee, with the
6 concurrence of the commission, shall develop a work plan, assign
7 responsibilities and deadlines for performance, and shall convene
8 meetings of the task force committees. Task force committees shall
9 meet at least once each month.

10 (b) Task force committee members shall establish a method for
11 reaching consensus on their findings and recommendations to the
12 commission. The chair of each task force committee shall be
13 responsible of presenting the committee's final recommendations
14 to the commission.

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