

Bond Proposals for Discussion

Governor's Strategic Growth Plan

As previously reported to you, the Governor has proposed a major infrastructure plan, which includes \$107 billion in total investment in transportation infrastructure over the next decade. Dubbed the "Strategic Growth Plan," the following details the specifics of the plan. Specifically, the Governor proposed the following legislation:

Debt Service Ratio Limit

SCA 21 (Runner, R-Antelope Valley) - Amends the state constitution to limit the amount of general fund supported debt to keep total general fund supported debt service to six percent of general fund revenues.

Transportation & Air Quality

AB 1838 (Oropeza, D-Long Beach)/**SB 1165** (Dutton, R-Rancho Cucamonga) - Places before California voters a \$6 billion transportation bond in 2006 and another \$6 billion bond in 2008 to improve capacity and reduce congestion.

ACA 4 (Plescia, R-San Diego) - Amends the California State Constitution to eliminate the ability of the Legislature and Governor to raid Proposition 42 funds for non-transportation purposes. These funds are derived from the sales tax on gasoline and are meant for transportation projects.

As part of the Governor's GoCalifornia plan submitted during the 2005-06 legislative session, the Governor introduced the following three bills to reform the transportation project contracting and construction process. These reforms are also included as part of his Strategic Growth Plan.

AB 850 (Canciamilla, D-Pittsburg) - Authorizes the California Department of Transportation to contract with public and private entities to expand the number of toll roads and other toll facilities and high-occupancy toll (HOT) lanes, to increase capacity on our roads.

SB 371 (Torlakson, D-Antioch) - Provides design-build authority to the California Department of Transportation and regional transportation agencies to make construction more efficient and cost-effective.

AB 1266 (Niello, R-Fair Oaks) - Allows the California Department of Transportation design-sequencing authority for projects to make construction more efficient and cost-effective.

K-12 & Higher Education

AB 1836 (Daucher, R-Brea)/**SB 1164** (Runner, R-Antelope Valley) - Places bonds for K-12 and higher education before California voters in five different election cycles, beginning in 2006 and ending in 2014. The 2006 bond proposal provides a total of \$7 billion for K-12 education, and \$5.4 billion for higher education.

Water & Flood Control

AB 1839 (Laird, D-Santa Cruz)/**SB 1166** (Aanestad, R-Grass Valley and Machado, D-Linden) - Places a \$3 billion general obligation bond before voters in 2006 and a \$6 billion general obligation bond on the ballot in 2010 to support integrated regional water management and for water and flood control improvements.

AB 1665 (Laird, D-Santa Cruz) - Provides a stable funding source for local flood management districts and state agencies for flood management in the state system.

ACA 13 (Harman, R-Huntington Beach - Jones, D-Sacramento and Mullin, D-South San Francisco). Introduced in 2005, this legislation amends Proposition 218 to include flood management fees in the list of exemptions from the arduous local benefit assessment process established by the proposition so that flood management fees would be treated in the same manner as other fees for necessities such as water, sewer, and garbage.

Public Safety

AB 1833 (Arambula, D-Fresno) - Places the Public Safety Bond Act of 2006 and 2010 on the ballot. Each ballot will ask the people to authorize \$2 billion to be used by local governments to expand the capacity of jails. In both 2006 and 2010 \$6 billion will be used for jail construction by combining the bond money with matching funds and other revenues, thereby increasing local capacity to 83,000 inmates. The 2006 bond also contains \$610 million in other public safety infrastructure at the state level. The 2010 bond will include \$1.1 billion for increasing state prison capacity.

Courts & Other Public Services

AB 1831 (Jones, D-Sacramento)/**SB 1163** (Ackerman, R-Irvine) - Authorizes \$1.8 billion in bonds for courts to go before voters over the next decade for trial courts, \$800 million in 2006 and \$1 billion in 2010. In addition, this bill authorizes \$400 million in 2006 to seismically retrofit other high-risk state buildings and address health and safety needs at state park facilities.

AB 1783 (Nunez): Infrastructure financing

This bill is still being developed, but as of this writing, would enact the California Infrastructure, Improvement, Smart Growth, Economic Reinvestment, and Emergency Preparedness Financing Act of 2006.

It would provide financing for state and local government infrastructure through various funding sources (not named in the bill), including bonds, fees, and assessments.

The financing would be used to fund programs such as:

- Transportation
- Flood control
- Safe water systems
- Environmental improvement
- Housing
- Hospital seismic safety repair
- Emergency public safety communications equipment

All of these programs are named in the bill, but were not given dollar amounts or funding mechanisms.

SB 1024 (Perata): Public works and improvements: bond measure

This is a \$10.75 billion bond measure proposed for the November 2006 ballot and includes the following components:

- \$1.5 billion for the STIP
- \$2.3 billion for restoration of Prop. 42 funds/loan re-payment
- \$2 billion to a newly created global gateways improvement fund for infrastructure improvements along federally designated trade corridors
- \$400 million for air quality projects related to sources used in the operations of ports
- \$100 million to the California Infrastructure and Economic Development Bank as grants for port, harbor, and ferry terminal security improvements

- \$100 million for the environmental enhancement and mitigation transportation program
- \$1 billion for high speed rail, environmental studies, engineering right of way, acquisition, and construction of grade, separations, bridges and tracks.
- \$25 million for the Business Transportation and Housing Agency to give grants to MPOs/COGs for development of regional growth plans
- \$75 million for the Secretary of Business Transportation and Housing Agency to give grants to MPOs/COGs to provide revolving funds and grants for cities and counties to develop land use policies and CEQA costs related to supporting development in infill areas
- \$425 million to the CTC for an affordable housing incentive program
- \$425 million for the Business Transportation & Housing Agency Secretary to give competitive infill incentive grants to local public agencies, which are included in a regional growth plan
- \$200 million to increase the housing rehabilitation loan fund whereby the State Housing Department gives grants to local governments for housing projects provided the project must be in an area designated for an infill project
- \$275 million for transit oriented development account.
- \$200 million for the Secretary of Resources to provide "competitive grants" based on regional growth plans to MPO's/COGs for acquisition of wildlife habitat, open space and other resources
- \$1 billion for the Department of Water Resources to allocate for projects for flood control.
- \$200 million to a flood control matching account for the state's share of non-federal costs of flood control projects
- \$50 million to the Orphan Share Reimbursement Trust Fund for conversion of toxic waste sites