

# Fast Facts about California Infrastructure

Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy  
V. Manuel Pérez, Chair

California's infrastructure includes a diverse array of facilities including water resources, transportation, higher education, natural resources, criminal justice, health and other general government structures. Much of this infrastructure is over 30 years old and requires ongoing maintenance as well as improvements and expansion to accommodate the state's population growth and evolving policy priorities.

## California's Existing Infrastructure

- Transportation: 50,000 lane miles of highways and 12,000 bridges; 9 toll bridges; 11 million square feet of Department of Transportation offices and shops; 170 Department of Motor Vehicles offices; 102 California Highway Patrol offices.<sup>1</sup>
- Higher Education: 10 University of California campuses; 23 California State University campuses.<sup>2</sup>
- Water Resources: 34 reservoirs; 25 dams; 20 pumping stations; 4 pumping-generating plants; 5 hydroelectric power plants; 701 miles of canals and pipelines; 1,595 miles of levees and 55 flood control structures in the Central Valley.<sup>3</sup>
- Natural Resources: 278 park units containing 1.3 million acres; 4,000 miles of trails and 3,000 historic buildings; 266 forest fire stations; 39 conservation camps; and 13 air attack bases; 16 agricultural inspection stations.<sup>4</sup>
- Criminal Justice: 33 prisons and 44 correctional conservation camps; 5 youthful offender institutions; 19 million square feet of judicial branch facility space; 11 crime laboratories.<sup>5</sup>
- Health Services: 5 mental health hospitals; 4 developmental centers; 2 public health laboratory facilities
- General State Office Space: 224 state-owned office structures; 2,370 leases for state office space.<sup>6</sup>

## California Infrastructure Financing

- The State spent \$102 billion from state funds on infrastructure from 2000 -2010, driven by four key factors: maintaining existing infrastructure.<sup>7</sup>
- The State pays for infrastructure spending using two accounts: direct "pay-as-you-go" spending, where the state funds infrastructure upfront through appropriations from the General Fund or Special Funds accounts, and leverage, where the state finances infrastructure through the use of bonds.<sup>8</sup>
- Between 2000-2010, the state appropriated \$35.7 billion in pay-as-you-go financing, including \$1.9 billion from the General Fund (2% of all infrastructure spending) and \$33.8 billion from Special Funds (35% of all infrastructure spending).<sup>9</sup>
- Between 2000 -2010, the state spent \$66.6 billion in bond financing, including \$59.1 billion from general obligation bonds (representing 58% of total infrastructure spending), \$5.5 billion from lease-revenue bonds (representing 5% of total infrastructure spending), and \$2 billion from traditional revenue bonds (representing 2% of infrastructure spending).<sup>10</sup>
- Almost three-fifths of the state's total infrastructure spending over the last decade was distributed to and administered by local agencies.<sup>11</sup>
- Transportation represented the largest infrastructure spending category at \$81 billion over the last decade, 56 billion of which went to highway infrastructure.<sup>12</sup>
- The Legislative Analyst Office estimates General Fund costs for debt service on infrastructure bonds will be \$5.5 billion in 2011-12<sup>13</sup>

## Drivers of Infrastructure Spending

- Maintaining existing infrastructure, including minor renovations and upgrades to enable efficient and safe operation.<sup>14</sup>
- Building new infrastructure to accommodate population growth including schools, additional roadways and transportation facilities, water infrastructure etc.<sup>15</sup>

- Responding to legal requirements put in place after the infrastructure was constructed, including environmental regulations, Americans with Disabilities Act requirements and court orders.<sup>16</sup>
- Fulfilling new priorities and voter initiatives, including the 2006 voter-passed infrastructure financing package.<sup>17</sup>

### California's Infrastructure Policy Framework

- Every four years, the Governor is required to prepare the Environmental Goals and Policy Report, a 20-year blueprint of the state's growth and economic development strategy (Government Code Sections 65041-65049).
- Annually, the Governor is required to prepare a five-year infrastructure plan, identifying infrastructure spending for state agencies, aggregate transportation funding, K-12 infrastructure needs, and the instructional support needs of the state's higher education system (Government Code Sections 13100-13104).
- Under current law, cities and counties are empowered to create Infrastructure Financing Districts to pay for regional scale public works.

### American Society of Civil Engineers (ASCE) California Infrastructure Report Card 2010

- California's overall infrastructure is rated as "C," up from a "C-" in 2006.<sup>18</sup>
- At a more granular level, California ranks:<sup>19</sup>

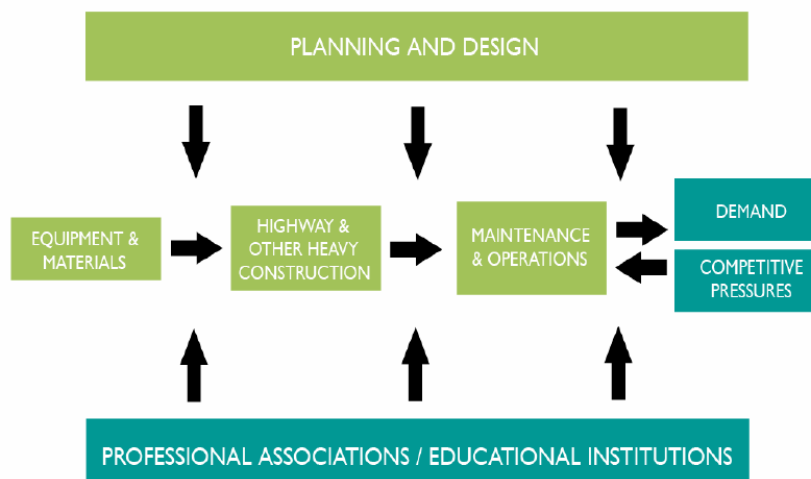
Aviation	C+	Transportation	C-
Levees/Flood Control	D	Urban Runoff	D+
Ports	B-	Wastewater	C+
Solid Waste	B-	Water	C

- California's infrastructure investment gap is estimated at \$65 billion a year.<sup>20</sup>

### Logistics-based Infrastructure Definition

- Logistics is the process of moving and handling goods and materials, from the beginning to the end of production, sale processes and waste disposal to satisfy customer needs and increase business competitiveness. It is the process of:<sup>21</sup>
  1. Anticipating customer needs and wants;
  2. Acquiring the capital, materials, people, technologies, and information necessary to meet those needs and wants;
  3. Optimizing the goods- or service-producing network to fulfill customer requests; and
  4. Utilizing the network to fulfill customer requests in a timely way.<sup>22</sup>

### California's Infrastructure Value Chain



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- <sup>1</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>2</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>3</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>4</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>5</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>6</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>7</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>8</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>9</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>10</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>11</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
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- <sup>12</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
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- <sup>13</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
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- <sup>14</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
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- <sup>15</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
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- <sup>16</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
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- <sup>17</sup> Legislative Analyst Office, "A Ten-Year Perspective: California Infrastructure Spending"  
[http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure\\_082511.pdf](http://www.lao.ca.gov/reports/2011/stadm/infrastructure/infrastructure_082511.pdf)
- <sup>18</sup> American Society of Civil Engineers: California Infrastructure Report Card 2012:  
[http://www.ascecareportcard.org/data\\_specific/CA\\_Report\\_Card\\_News\\_Release.pdf](http://www.ascecareportcard.org/data_specific/CA_Report_Card_News_Release.pdf)
- <sup>19</sup> American Society of Civil Engineers: California Infrastructure Report Card 2012:  
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- <sup>20</sup> American Society of Civil Engineers: California Infrastructure Report Card 2012:  
[http://www.ascecareportcard.org/data\\_specific/CA\\_Report\\_Card\\_News\\_Release.pdf](http://www.ascecareportcard.org/data_specific/CA_Report_Card_News_Release.pdf)
- <sup>21</sup> Proceedings of the Eastern Asia Society for Transportation Studies, Vol. 5, pp. 1657 - 1672, 2005:  
<http://www.siam.org/journals/plagiary/1657.pdf>
- <sup>22</sup> Proceedings of the Eastern Asia Society for Transportation Studies, Vol. 5, pp. 1657 - 1672, 2005:  
<http://www.siam.org/journals/plagiary/1657.pdf>