

# INFRASTRUCTURE

California is making the biggest investment in infrastructure since the 1950s and 60s. The \$180 billion investment over the next ten years will create 400,000 job opportunities and is a once-in-a-generation drive that will benefit communities across the state.

In partnership with the Legislature, the Governor [signed legislation](#) last year to accelerate critical infrastructure projects across California that will help build a 100 percent clean electric grid, strengthen the state's water resiliency and boost water supply, and modernize the state's transportation system. The state begins 2024 with \$41 billion already at work thanks to historic state funding and unprecedented help from the Biden-Harris Administration. These projects will:

- Build a new system of clean energy.
- Move away from dirty fossil fuels.
- Build and repair roads, bridges, and public transit.
- Bring high-speed internet to every Californian.
- Clean the air and restore natural spaces.
- Grow the state's economy.

Further, the state's infrastructure commitment acknowledges that every community deserves to be clean, green, and safe. To achieve this goal, California's projects have these priorities:

- Benefit disadvantaged communities.
- Engage communities.
- Consult and partner with tribes.
- Create meaningful work and opportunity through jobs and contracts.

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## FEDERAL INVESTMENTS

With the passage of federal legislation, the state has received billions of dollars and is expecting to receive billions of dollars more for a wide array of infrastructure projects:

- **American Rescue Plan Act**—California has allocated nearly \$7.1 billion in State Fiscal Recovery Funds for constructing and preserving affordable housing; acquiring, rehabilitating, and converting buildings for long-term housing for those experiencing homelessness; investing in infrastructure to expand access to behavioral health services; and broadband infrastructure.
- **Infrastructure Investment and Jobs Act**—As of November 2023, the state is expected to have received \$45.3 billion in formula funding and \$7.9 billion in competitive funding (a total of \$53.2 billion) for transportation infrastructure, broadband, and climate resilience projects.
- **Inflation Reduction Act**—As of November 2023, the state is expected to have received \$816 million with \$369 billion more available nationwide for energy and climate change investments.

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## CRITICAL STATE INFRASTRUCTURE

The California Infrastructure Planning Act (Chapter 606, Statutes of 1999) requires the Governor to submit a five-year infrastructure plan to the Legislature for consideration with the annual budget bill. This Chapter, along with other information on the Department of Finance website ([www.dof.ca.gov](http://www.dof.ca.gov)), fulfills the requirements of the Act. The 2024 Five-Year Infrastructure Plan (Plan) focuses on meeting core state responsibilities with limited available resources.

The Plan reflects approximately \$53.3 billion in state infrastructure investments over the next five years. In light of the current fiscal outlook, the Plan reflects only the most critical investments in capital assets that support core state functions, including fire and life safety and/or court-ordered projects. To help preserve investments in these critical projects, the Budget proposes to shift spending commitments from the General Fund to other fund sources and to defer several projects to future years.

See the Infrastructure Plan—Proposed Spending figure for a summary of the proposed funding by program area and the Statewide Capital Funding by Department and Fund Source figure for a summary of the proposed funding by year, department, and fund source. Appendix 1, which includes a detailed listing of the specific projects proposed to be funded, can be found on the Department of Finance website.

**Infrastructure Plan—Proposed Spending**

(Dollars in Thousands)

<b>Capital Expenditures: Program Area</b>	<b>Five-Year Capital Funding</b>
Transportation	\$49,164,156
Natural Resources	2,265,793
Judicial Branch	1,398,519
Health and Human Services	239,679
Education	110,917
General Government	99,250
Corrections and Rehabilitation	20,085
<b>Total</b>	<b>\$53,298,399</b>

**JUDICIAL BRANCH**

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The Supreme Court is located in the Civic Center Plaza in San Francisco and the Ronald Reagan State Office Building in Los Angeles and has office space in San Diego. The courts of appeal are organized into six districts, operate in nine different locations, and consist of approximately 538,000 square feet (sf). The trial courts are located in 58 counties statewide in approximately 430 facilities. The trial courts consist of 2,200 courtrooms of more than 21.8 million sf. The facilities of the Supreme Court, courts of appeal, and trial courts encompass not only the public courtroom spaces but also the chambers and workspaces where judicial officers and courtroom staff prepare for proceedings; secure areas, including holding cells; and building support functions. Judicial Council administrative facilities, occupying approximately 235,000 sf, are located in San Francisco and Sacramento.

**Statewide Capital Funding by Department and Fund Source**

(Dollars in Thousands)

Program Area	2024-25	2025-26	2026-27	2027-28	2028-29	Total
<b>Judicial Branch</b>						
Judicial Branch	\$89,491	\$4,914	\$304,274	\$878,382	\$121,458	\$1,398,519
<b>Subtotal</b>	<b>\$89,491</b>	<b>\$4,914</b>	<b>\$304,274</b>	<b>\$878,382</b>	<b>\$121,458</b>	<b>\$1,398,519</b>
<b>Transportation</b>						
Department of Transportation	9,845,583	9,758,800	9,792,800	9,665,800	9,708,800	48,771,783
High Speed Rail Authority	6,000	0	0	0	0	6,000
Department of the California Highway Patrol	18,007	268,317	0	0	11,100	297,424
Department of Motor Vehicles	17,938	71,011	0	0	0	88,949
<b>Subtotal</b>	<b>\$9,887,528</b>	<b>\$10,098,128</b>	<b>\$9,792,800</b>	<b>\$9,665,800</b>	<b>\$9,719,900</b>	<b>\$49,164,156</b>
<b>Natural Resources</b>						
Exposition Park	351,546	0	0	0	0	351,546
Tahoe Conservancy	2,340	0	1,800	0	0	4,140
California Conservation Corps	9,101	0	0	0	0	9,101
Department of Forestry and Fire Protection	124,041	283,326	388,603	125,024	527,042	1,448,036
State Lands Commission	0	4,045	134,163	0	0	138,208
Department of Parks and Recreation	1,152	5,690	1,000	191,620	1,000	200,462
Department of Water Resources	114,300	0	0	0	0	114,300
<b>Subtotal</b>	<b>\$602,480</b>	<b>\$293,061</b>	<b>\$525,566</b>	<b>\$316,644</b>	<b>\$528,042</b>	<b>\$2,265,793</b>
<b>Health and Human Services</b>						
Department of Developmental Services	0	0	2,917	4,955	149,409	\$157,281
Department of State Hospitals	50,445	19,375	0	5,347	7,231	82,398
<b>Subtotal</b>	<b>\$50,445</b>	<b>\$19,375</b>	<b>\$2,917</b>	<b>\$10,302</b>	<b>\$156,640</b>	<b>\$239,679</b>
<b>Corrections and Rehabilitation</b>						
Department of Corrections and Rehabilitation	959	982	6,785	0	11,359	20,085
<b>Subtotal</b>	<b>\$959</b>	<b>\$982</b>	<b>\$6,785</b>	<b>\$0</b>	<b>\$11,359</b>	<b>\$20,085</b>
<b>Education</b>						
Department of Education	2,704	56,161	13,355	0	9,405	81,625
California Community Colleges	29,292	0	0	0	0	29,292
<b>Subtotal</b>	<b>\$31,996</b>	<b>\$56,161</b>	<b>\$13,355</b>	<b>\$0</b>	<b>\$9,405</b>	<b>\$110,917</b>
<b>General Government</b>						
Department of Food and Agriculture	99,250	0	0	0	0	99,250
<b>Subtotal</b>	<b>\$99,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$99,250</b>
<b>Statewide Total</b>	<b>\$10,762,149</b>	<b>\$10,472,621</b>	<b>\$10,645,697</b>	<b>\$10,871,128</b>	<b>\$10,546,804</b>	<b>\$53,298,399</b>
<b>Proposed, By Fund</b>						
General Fund	151,470	28,245	139,115	15,029	65,352	399,211
Special Fund	3,335,387	3,296,290	3,310,840	3,462,520	3,287,360	16,692,397
Public Buildings Construction Fund/ Non-Governmental Cost Funds	724,285	677,378	642,900	998,679	771,652	3,814,894
General Obligation Bond Funds	58,667	7,000	0	0	0	65,667
Federal Funds	5,990,290	5,960,200	5,981,960	5,893,900	5,921,440	29,747,790
Reimbursements/Other Governmental Cost Funds	502,050	503,508	570,882	501,000	501,000	2,578,440
<b>Statewide Total</b>	<b>\$10,762,149</b>	<b>\$10,472,621</b>	<b>\$10,645,697</b>	<b>\$10,871,128</b>	<b>\$10,546,804</b>	<b>\$53,298,399</b>

The Plan includes \$1.4 billion Public Buildings Construction Fund over the next five years for five judicial branch projects identified as the most critical in the 2019 Facilities Reassessment.

The Budget includes \$89.5 million Public Buildings Construction Fund for the New Sixth Appellate District Courthouse in Sunnyvale. The Judicial Branch continues work on 21 existing projects.

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## TRANSPORTATION

The Budget proposes adjustments to transportation infrastructure to account for a reduction in forecasted General Fund revenue. The Budget includes a reduction of \$1.1 billion General Fund, partially offset by \$791 million of Greenhouse Gas Reduction Fund, for a net reduction of \$200 million. These adjustments will maintain a total of \$15.9 billion of the \$16.1 billion in recent one-time transportation investments, including:

- \$7.7 billion for high-priority transit and rail infrastructure projects that will improve rail and transit connectivity between state and local/regional services that are designed to reduce traffic congestion and greenhouse gas production.
- \$4.2 billion Proposition 1A for the High-Speed Rail Authority to continue building the 119-mile Central Valley Segment from Madera to just north of Bakersfield.
- \$1.4 billion for Active Transportation Program projects, the Highways to Boulevards Pilot, and climate adaptation projects.
- \$1.2 billion for projects that improve goods movement on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects.
- \$350 million for grade separation projects that support critical safety improvements and expedite the movement of traffic and rail by separating the vehicle roadway from the rail tracks.
- \$1.1 billion for the Zero Emission Transit Capital Program.

## ADDRESSING THE BUDGET PROBLEM

To address the projected budget shortfall, the Budget proposes General Fund solutions to achieve a balanced budget. These include \$296 million of General Fund reductions, \$791 million in fund shifts, and \$3.2 billion in delays across various programs.

- **Active Transportation**

- A \$200 million reduction, leaving the Active Transportation Program (ATP) with \$850 million of the \$1 billion originally included as part of recent one-time transportation investments. To ensure no impact to previously awarded projects, \$200 million of ATP funding that was expected to be available for allocation in future cycles will instead be used to backfill the projects awarded in Cycle 6 of ATP.
- A \$400 million delay from 2021-22 to align the budget with expenditure schedules. This will not have a programmatic impact.

- **Competitive Transit and Intercity Rail Capital Program**

- A delay of \$2.1 billion from 2021-22 to as late as 2027-28 to align the budget with expenditure schedules. This will not have a programmatic impact.
- A shift of \$530 million from the General Fund to the Greenhouse Gas Reduction Fund. This will not have a programmatic impact.

- **Formula Transit and Intercity Rail Capital Program**

- A delay of \$1 billion from 2024-25 to 2025-26.
- A shift of \$261 million from the General Fund to the Greenhouse Gas Reduction Fund. This will not have a programmatic impact.

- **Highways to Boulevards**

- A delay of \$150 million General Fund from 2021-22 to align the budget with expenditure schedules. This will not have a programmatic impact.

- **Port and Freight Infrastructure Program**

- A delay of \$100 million General Fund from 2021-22 to align the budget with expenditure schedules. This will not have a programmatic impact.

- **Port of Oakland**

- A reduction of \$96 million from 2021-22 leaves \$184 million General Fund for Port of Oakland improvements.

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## HIGH-SPEED RAIL AUTHORITY

The California High-Speed Rail Authority (Authority) is headquartered in Sacramento, with regional offices in San Jose, Fresno, and Los Angeles.

The Authority has made significant progress on the 119-mile Central Valley Segment from Madera to just north of Bakersfield, with approximately 80 percent of structures either completed or in progress, and more than 98 percent of right-of-way parcels successfully delivered to the contractors. Also, the construction package (CP) for the southernmost 22 miles—CP 4—is nearly complete.

In addition, milestones are being achieved on other components of the high-speed train project, including complete environmental clearance on all segments between San Francisco and Palmdale.

The Budget includes \$6 million High-Speed Rail Property Fund for the reinvestment of excess property sale revenues to offset future costs related to right-of-way acquisitions for the Central Valley Segment.

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## CALIFORNIA HIGHWAY PATROL

The California Highway Patrol (CHP) operates nearly 500 facilities statewide, including 8 field division offices, 103 area commands, 24 dispatch/communications centers, 39 commercial vehicle inspection facilities and platform scales, 8 air operations facilities, 34 resident posts, 269 remote telecommunication sites, a training academy, and various administrative facilities. These facilities, consisting of approximately 1.6 million gross sf of state-owned properties and 742,000 gross sf of leased properties, support the CHP's mission to provide the highest level of safety, service, and security to the people of California.

The Plan includes \$297.4 million (\$11.1 million General Fund, \$4.9 million Motor Vehicle Account (MVA) and \$281.4 million Public Buildings Construction Fund) over the next five years for various facility replacement projects statewide. This includes seven continuing area office replacement projects and one future area office replacement project.

Of this amount, the Budget includes \$18 million (\$4.9 million MVA and \$13.1 million Public Buildings Construction Fund) for the Keller Peak Tower Replacement and six continuing area office replacement projects located at Gold Run, Redding, Los Banos, Antelope Valley, Barstow, and Porterville. The existing facilities at these locations have numerous structural deficiencies and are too small to meet the programmatic needs of today's CHP.

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## DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) operates 240 facilities statewide including an estimated 1.6 million gross sf of state-owned properties and 1.1 million gross sf of agency-leased properties. Many offices contain multiple programs, including vehicle/vessel identification and compliance, driver license and personal identification, driver safety, occupational licensing, and investigation. These facilities support the DMV's mission to serve the public by licensing drivers, registering vehicles, securing identities, and regulating the motor vehicle industry in pursuit of public safety.

The Plan includes \$89 million Public Buildings Construction Fund over the next five years for one continuing replacement project and one field office reconfiguration project to address structural and programmatic deficiencies.

The Budget includes \$17.9 million Public Buildings Construction Fund for the performance criteria phase of the El Centro Field Office Replacement project and for the construction phase of the Oxnard Field Office Reconfiguration project. These projects address safety and space deficiencies.

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## EXPOSITION PARK

Exposition Park, which consists of the Office of Exposition Park Management, the California African American Museum, and the California Science Center, is a 160-acre campus located in Los Angeles. Attractions in Exposition Park include the Natural History Museum of Los Angeles County, the City of Los Angeles Rose Garden, the Los Angeles Memorial Coliseum, and the Los Angeles Football Club Banc of California Stadium.

The Budget includes \$351.5 million Public Buildings Construction Fund for the Southeast Underground Parking Structure project. This project includes three stories of underground parking, surface level green space, and event space. The project will provide for increased revenue generation and an improved visitor experience. In addition, the project will better prepare Exposition Park for the 2028 Summer Olympics.

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## CALIFORNIA TAHOE CONSERVANCY

The California Tahoe Conservancy manages programs to help protect Lake Tahoe's water quality and conserve wildlife habitat, watershed areas, and public access on the California side of the Lake Tahoe Basin. The Conservancy is a primary implementer of the State of California's responsibilities under the Environmental Improvement



Program (EIP) for the Lake Tahoe Basin—a 1997 agreement between California, Nevada, the Tahoe Regional Planning Agency, the federal government, local governments, and various private entities. The EIP is updated periodically to include more refined estimates of projects, modifications in the scope of identified projects, and new projects.

The Plan includes \$4.1 million (\$1.3 million General Obligation bond funds and \$2.8 million other funds) over the next five years for one continuing project and multiple studies focused on remediation and restoration of the Lake Tahoe Basin.

Of this amount, the Budget includes \$2.3 million (\$1.3 million General Obligation bond funds and \$1 million other funds) for the Sunset Stables Reach 6: Upper Truckee River Restoration Project, as well as study and planning funds for possible future projects.

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## CALIFORNIA CONSERVATION CORPS

The California Conservation Corps (CCC) operates 26 facilities statewide, including 10 residential and 16 non-residential facilities in both urban and rural areas. These facilities enable the CCC to achieve its mission of providing employment, training, and educational opportunities to young adults. The facilities also allow the CCC to assist federal, state, and local agencies, as well as nonprofit entities, with the conservation of California's natural resources. The CCC residential facilities house 80 to 100 corpsmembers each and operate 24 hours a day, bringing young people together from across the state and increasing capacity for emergency response and conservation projects. Non-residential centers range in size from 30 to 60 corpsmembers and are located in both urban and rural communities throughout California.

The Budget includes \$9.1 million (\$6 million Public Buildings Construction Fund and \$3.1 million other funds) for one continuing project and two new projects. Projects include the continuing Residential Center, Auberry – New Residential Center project, which involves construction of a new residential center in Fresno County for type I fire crews. The two new projects are the Nonresidential Center, Wilderness and Watersheds Restoration District—Acquire Existing Nonresidential Facility which will result in acquisition of a facility currently leased by CCC, and a minor project focused on improving an athletic facility currently used by CCC. Both new projects will be funded through General Obligation bond funds.

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## DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department of Forestry and Fire Protection (CAL FIRE) operates more than 635 facilities statewide. These include, but are not limited to, 236 fire stations, 13 air attack bases, 10 helitack bases, 30 conservation camps, 39 fire centers (16 CAL FIRE, 15 California Conservation Corps, and 8 California Military Department), 112 telecommunications facilities, 16 administrative headquarters, 21 unit headquarters, 36 bridges, 14 state forests, 1 forestry nursery, 1 statewide seedbank, 6 training centers, and over 100 other facilities that support fire protection and resource management efforts for more than 31 million acres of both state and privately owned wildlands throughout California.

The Plan includes \$1.4 billion (\$166.7 million General Fund and \$1.3 billion Public Buildings Construction Fund) over the next five years for the continuation and addition of critical infrastructure projects statewide with an emphasis on enhancement of operational capabilities. Projects include, but are not limited to, the creation of a new training center which is necessary for the implementation of the 66-hour work week, the replacement of helitack bases and air attack bases to accommodate CAL FIRE's new helicopter fleet and new federal C-130 aircraft. The plan also includes the replacement of aging fire stations and unit headquarters.

The Budget includes \$124 million (\$36.2 million General Fund and \$87.8 million Public Buildings Construction Fund) for the continuation and addition of critical major capital projects, including the replacement of various fire stations, unit headquarters, helitack bases, and air attack bases. The Budget also includes acquisition funding for the Additional CAL FIRE Training Center: New Facility project.

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## STATE LANDS COMMISSION

The State Lands Commission operates five facilities statewide. Two are regional headquarters, each co-located with a field office, one located in Sacramento and the other in Long Beach. The three remaining facilities are field offices only, one in Northern California and two in Southern California. Of the five facilities, one is state-owned (Huntington Beach Field Office), and the other four are in leased space.

The Plan includes \$138.2 million (\$67.6 million General Fund and \$70.6 million other funds) for the Selby Slag Remediation project which includes the remediation of extensive heavy metal contamination on a 66-acre site in Contra Costa County.

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## DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation consists of 280 parks, beaches, trails, wildlife areas, open spaces, off-highway vehicle areas, and historic sites totaling approximately 65 million acres of land, including 343 miles of coastline; 991 miles of lake, reservoir and river footage; more than 15,000 campsites and alternative camping facilities; and more than 6,000 miles of motorized and non-motorized trails.

The Plan includes \$200.5 million (\$152,000 General Obligation bond funds and \$200.3 million other funds) over the next five years for continuing major capital projects at R.H. Meyer Memorial State Beach and the future California Indian Heritage Center. Also included is \$1 million for acquisition of property within or adjacent to units of the state park system with an emphasis on properties that protect the habitat of deer, mountain lions, and rare and endangered species.

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## DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR), Division of Flood Management and the Division of Multibenefit Initiatives are committed to a wide and necessary array of flood risk reduction investments such as U.S. Army Corps of Engineers (USACE)-led urban projects, repair of storm-damaged infrastructure, and systemwide multi-benefit projects. DWR has taken a comprehensive look at funding needs over the next five years and beyond, and will continue to work on flood management projects that reduce flood risk and enhance flood system resiliency to address the impacts of climate change, improve operations and maintenance of the flood management system, and improve ecosystem functions.

Much of the existing flood management system in the Central Valley is made up of a complex, integrated system of levees, channel improvements, bypasses, operable and passive weirs, closure structures, pumping plants, and other related flood management facilities. DWR, in partnership with the Central Valley Flood Protection Board (Flood Board), participates with USACE and local entities in the operation, maintenance, repair, rehabilitation, and replacement of these facilities.

The Central Valley Flood Protection Act of 2008 requires DWR to prepare, and the Flood Board to adopt, the Central Valley Flood Protection Plan (Flood Plan). The Flood Plan is California's strategic blueprint to improve flood risk reduction in the Central Valley. The Flood Plan lays out strategies to:

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- Prioritize the state's investment in flood management over the next three decades.
- Promote multi-benefit projects.
- Integrate and improve ecosystem functions associated with flood risk reduction projects.

The Five-Year Capital Outlay Plan supports DWR flood risk reduction projects that:

- Implement improvements to the State Plan of Flood Control (SPFC) identified in the Flood Plan in coordination with the USACE, Flood Board, and local agencies, and address other known critical deficiencies in the Central Valley flood system.
- Advance flood improvements along the American and Sacramento Rivers and the Yolo Bypass, and locations in the San Joaquin such as Paradise Cut.
- Complete work on five to six urban multi-benefit projects that reduce flood risk, protect habitat, and provide recreation.
- Work with USACE and local agencies to provide financial assistance to complete design and construction of flood risk reduction projects across the state.

The Salton Sea, California's largest lake, is receding due in part to existing water conservation actions in the Imperial Valley that have reduced inflows to the Sea. Areas of exposed lakebed contribute to harmful dust emissions and reduce important environmental habitat. Along with the California Natural Resources Agency, DWR helps address historic inequities in the region by reducing the contributions of exposed lakebed to poor air quality. The goal is to suppress dust around the Salton Sea by installing aquatic habitat, vegetation, or interim surface roughening.

The Budget includes \$54.3 million General Fund in Capital Outlay costs for various flood management system projects in the Central Valley, including \$31.3 million for Systemwide Flood Risk Reduction projects and \$23 million for the Urban Flood Risk Reduction Program, and an additional \$60 million General Fund in Capital Outlay costs for the Salton Sea Management Plan.

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## DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services is responsible for the operation and maintenance of two state-owned and -operated 24-hour care facilities and related buildings, grounds, and infrastructure—the Fairview Developmental Center in Orange

County and Porterville Developmental Center in Tulare County, which are comprised of approximately 2.3 million gross sf on 784 acres.

As of February 2020, the Fairview Developmental Center and the Porterville General Treatment Area transitioned all former residents to community living. The Department will continue to maintain the Fairview facility in warm shutdown mode until disposition of the property. At Porterville Developmental Center, secure treatment services are provided for individuals who have been found incompetent to stand trial due to their developmental disability or are dangerous to themselves or others and civilly committed to the facility by court order.

The Plan includes \$157.3 million Public Buildings Construction Fund over the next five years for the design and construction of residence buildings at the Porterville Developmental Center to address space and infrastructure deficiencies.

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## DEPARTMENT OF STATE HOSPITALS

The Department of State Hospitals oversees five hospitals—Atascadero, Coalinga, Metropolitan, Napa, and Patton, that have a campus infrastructure of more than 6.6 million sf of space on 2,600 acres. These facilities support the Department's mission to provide evaluation and treatment services in a safe and responsible manner to State Hospital patients.

The Plan includes \$82.4 million (\$19.4 million General Fund and \$63 million Public Buildings Construction Fund) over the next five years to address electrical, water, and utility plant deficiencies at Atascadero, Metropolitan, Napa, and Patton State Hospitals.

The Budget includes \$50.4 million Public Buildings Construction Fund for the construction phase of the Central Utility Plant Replacement at Metropolitan State Hospital.

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## DEPARTMENT OF CORRECTIONS AND REHABILITATION

The Department of Corrections and Rehabilitation (CDCR) operates 32 state-owned institutions and 35 firefighting and conservation camps. CDCR's infrastructure includes more than 41 million sf of state-owned building space on more than 21,000 acres (33 square miles) statewide.

CDCR and the Board of State and Community Corrections (BSCC) jointly administer several programs to partially finance the design and construction of county

correctional facilities. The programs consist of Adult Local Criminal Justice and Local Youth Offender Rehabilitation facilities. Legislation is comprised of the 2007 Senate Bill 81 (Youth), the 2007 Assembly Bill 900 (Adult), the 2012 Senate Bill 1022 (Adult), the 2014 Senate Bill 863 (Adult), and the 2016 Senate Bill 844 (Adult). Approximately \$294 million has been awarded to 19 counties to build or remodel Youth Offender facilities and approximately \$2.2 billion has been awarded to 54 counties to build or remodel Adult Local Criminal facilities. CDCR oversees 42 of these projects totaling approximately \$1.5 billion authorized from Assembly Bill 900, Senate Bill 81, and Senate Bill 1022.

The Plan includes \$20.1 million General Fund over the next five years for two projects that address critical fire and life safety upgrades.

The Budget includes \$959,000 General Fund for the California Health Care Facility, Stockton – Potable Water Treatment System project.

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## BOARD OF STATE AND COMMUNITY CORRECTIONS

As explained above, the BSCC and CDCR jointly administer several programs to partially finance the design and construction of county correctional facilities. BSCC oversees 31 of these projects totaling approximately \$958 million authorized from Senate Bill 1022, Senate Bill 863, and Senate Bill 844.

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## EDUCATION FACILITIES

Since 1998, California voters have approved more than \$42 billion in statewide General Obligation bonds to construct or renovate public school classrooms used by the state's approximately six million K-12 students and \$11.5 billion in statewide General Obligation bonds to construct or renovate public college and university facilities. The Budget includes roughly \$3 billion General Fund to support the debt service costs associated with these bonds. In addition to state General Obligation bonds, school districts may use developer fees, local General Obligation bonds, and Mello-Roos bonds to construct additional classrooms or renovate existing classrooms and community colleges may use local General Obligation bonds to support their facility needs.

The 2022 and 2023 Budget Acts provided roughly \$3.3 billion one-time General Fund to support K-12 new construction and modernization projects through the School Facility Program (SFP). The Budget adjusts a planned 2024-25 investment for the SFP from \$875 million to \$375 million one-time General Fund. The 2023 Budget Act also included a

planned \$550 million one-time General Fund investment in 2024-25 to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (FDK Program). The FDK Program supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms. The Budget proposes delaying this \$550 million investment to 2025-26.

This Spring, the Administration expects to move forward with discussions with the Legislature on an education facilities bond to be considered on the November 2024 ballot.

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## **CALIFORNIA DEPARTMENT OF EDUCATION—STATE SPECIAL SCHOOLS**

The State Special Schools Division includes three residential schools—a School for the Deaf in Riverside, Schools for the Deaf and Blind in Fremont, and three diagnostic centers in Fresno, Fremont, and Los Angeles. These facilities comprise a total of approximately 1 million gross sf on 167 acres. The schools provide comprehensive educational programs composed of academic, extracurricular, and residential activities for Deaf, hard-of hearing, DeafBlind, blind, visually-impaired, and low-vision students. The diagnostic centers provide assessment services for students in special education with complex educational needs, along with professional learning and technical assistance support for educators and community partners.

The Plan includes \$81.6 million Public Buildings Construction Fund over the next five years for three continuing projects to address aging infrastructure at the Fremont School for the Blind, Fremont School for the Deaf, and Riverside School for the Deaf.

The Budget includes \$2.7 million Public Buildings Construction Fund for the working drawings phase of the Athletic Complex Replacement and Expansion project at the Riverside School for the Deaf.

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## **HIGHER EDUCATION**

Each year, millions of Californians pursue postsecondary degrees and certificates, enroll in courses, or participate in other kinds of education and training. The three public segments that support these educational opportunities are the University of California (UC), the California State University (CSU), and the California Community Colleges (CCCs).

### **CALIFORNIA COMMUNITY COLLEGES**

The CCCs comprise the largest postsecondary system of education in the nation. The system serves approximately 22 million students annually at 73 locally governed community college districts encompassing 116 campuses, 8,080 approved off-campus centers, and 24 district offices. The districts' assets include 6,000 buildings containing 87 million gross sf on more than 25,000 acres. The system also provides instruction at numerous off-campus outreach centers.

Proposition 51 (Prop 51) of 2016 authorized \$2 billion in state General Obligation bonds to support the improvement and construction of community college facilities. Over 98 percent of these bonds have been committed to addressing nearly 100 critical infrastructure projects.

The Budget includes \$29.3 million Prop 51 for the Siskiyou Joint Community College District, College of the Siskiyous: Remodel Theater and McCloud Hall project.

### **UNIVERSITY OF CALIFORNIA AND CALIFORNIA STATE UNIVERSITY**

The UC and CSU are currently authorized to fund capital projects from within their annual support budgets. This provides the universities with the flexibility to factor infrastructure development costs and priorities within their comprehensive fiscal plans. In accordance with statute, both the UC and the CSU submit annual capital outlay proposals for legislative review and Department of Finance approval. The UC did not submit capital proposals for 2024-25. The CSU submitted capital proposals totaling \$1.7 billion (\$1.5 billion Statewide Revenue Bonds and \$174.3 million campus funds). Preliminarily approved projects for CSU will be submitted to the Legislature in February 2024.

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### **DEPARTMENT OF GENERAL SERVICES**

The Department of General Services (DGS) manages approximately 36.5 million sf of space that supports a variety of state programs and functions. In addition, DGS oversees approximately 2 million sf in new office space that is currently under construction or renovation in the Sacramento area. These construction activities are in furtherance of the DGS Real Estate Strategic Plan, formerly known as the DGS Sequencing Plan, which provides a strategy for the renovation or replacement of numerous state office buildings in the Sacramento region. Many of these buildings are decades old and beyond their useful life.



In recent years, appropriations have provided funding for the renovation of various office buildings in Downtown Sacramento. The Gregory Bateson Building, scheduled for completion in December 2024, will house various tenants from the California Natural Resources Agency not included in the consolidation at the New Natural Resources Headquarters. The Resources Building Renovation Project, scheduled for completion in October 2025, will house a partial consolidation of the Labor and Workforce Development Agency, including the Employment and Development Department. Lastly, the Jesse Unruh Building, which is scheduled for completion in August 2025, will once again house the State Treasurer's Office (STO). The STO is temporarily located at the Paul Bonderson Building while the Unruh Building is under construction. In addition, the New Richards Boulevard Office Complex project will be completed in April 2024. The new facility, which contains over one million sf, have confirmed tenants including the California Department of Tax and Fee Administration, the Department of Housing and Community Development, the Civil Rights Department, the Commission on Teacher Credentialing, the Department of Financial Protection and Innovation, the Department of Real Estate, and the Department of Health Care Access and Information.

The 2022 Budget Act provided a one-time \$917 million transfer from the General Fund to the State Project Infrastructure Fund (SPIF) to fully fund the remaining design, pre-construction, and construction activities for the State Capitol Annex projects. To date, a total of approximately \$400 million has been transferred from the SPIF to fund ongoing planning and pre-construction activities. The Annex projects are currently scheduled for completion in 2027.

As part of the 2023 Budget Act, a budgetary loan of \$500 million from the SPIF to the General Fund was implemented, and the Budget proposes an additional budgetary loan of \$50 million from idle resources not required for currently projected operational or programmatic purposes. These funds, which are earmarked for the Capitol Annex projects, are not needed for the continuation of design and construction activities through 2024-25 and will be returned to the fund as needed in 2025-26 and 2026-27.

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## DEBT FINANCING

The state has long used debt financing as a tool for infrastructure investment. When the state borrows to pay for infrastructure, roughly one out of every two dollars spent on infrastructure investments pays long-term interest costs, rather than construction costs.

Budget challenges in the early 2000s resulted in a greater reliance on debt financing, rather than pay-as-you-go funding. From 1974 to 1999, California voters authorized

\$32.4 billion of General Obligation bonds. From 2000 to 2023, voters expanded the types of programs funded by bonds and authorized approximately \$128 billion of General Obligation bonds. Of all previously approved bonds, debt obligations of approximately \$70.6 billion in General Obligation bonds and approximately \$7.8 billion in lease revenue bonds remain outstanding as of December 1, 2023. Additional information related to General Obligation and lease revenue bond issues can be found on the State Treasurer's website.

As shown in the Debt Service on General Obligation and Lease Revenue Bonds figure, debt service on infrastructure bonds is expected to increase to \$9.4 billion by 2027-28, assuming only limited new lease revenue bonds are authorized.

**Debt Service on General Obligation and Lease Revenue Bonds**

(Dollars in Millions)

Fiscal Year	All Funds			General Fund	
	General Fund Revenues	Debt Service	Debt Service Ratio <sup>1/</sup>	Debt Service	Debt Service Ratio <sup>1/</sup>
2023-24	\$196,859	\$7,830	3.98%	\$5,453	2.77%
2024-25	\$214,698	\$8,539	3.98%	\$6,020	2.80%
2025-26 <sup>e/</sup>	\$195,150	\$8,665	4.44%	\$6,128	3.14%
2026-27 <sup>e/</sup>	\$203,287	\$9,117	4.48%	\$6,501	3.20%
2027-28 <sup>e/</sup>	\$217,233	\$9,444	4.35%	\$6,881	3.17%

<sup>1/</sup> The debt service ratio expresses the state's debt service costs as a percentage of its General Fund revenues.  
<sup>e/</sup> Estimated.

The debt service ratio is a measure of relative indebtedness. It expresses the state's debt service level as a percentage of its General Fund revenues. The debt service ratio is projected to increase in 2024-25 to 2.80 percent, based on currently authorized General Fund-supported General Obligation and lease revenue bond debt.