

MARCH 15, 2023

State Infrastructure Spending

PRESENTED TO:

Senate Governance and Finance Committee
Hon. Anna M. Caballero, Chair



LEGISLATIVE ANALYST'S OFFICE

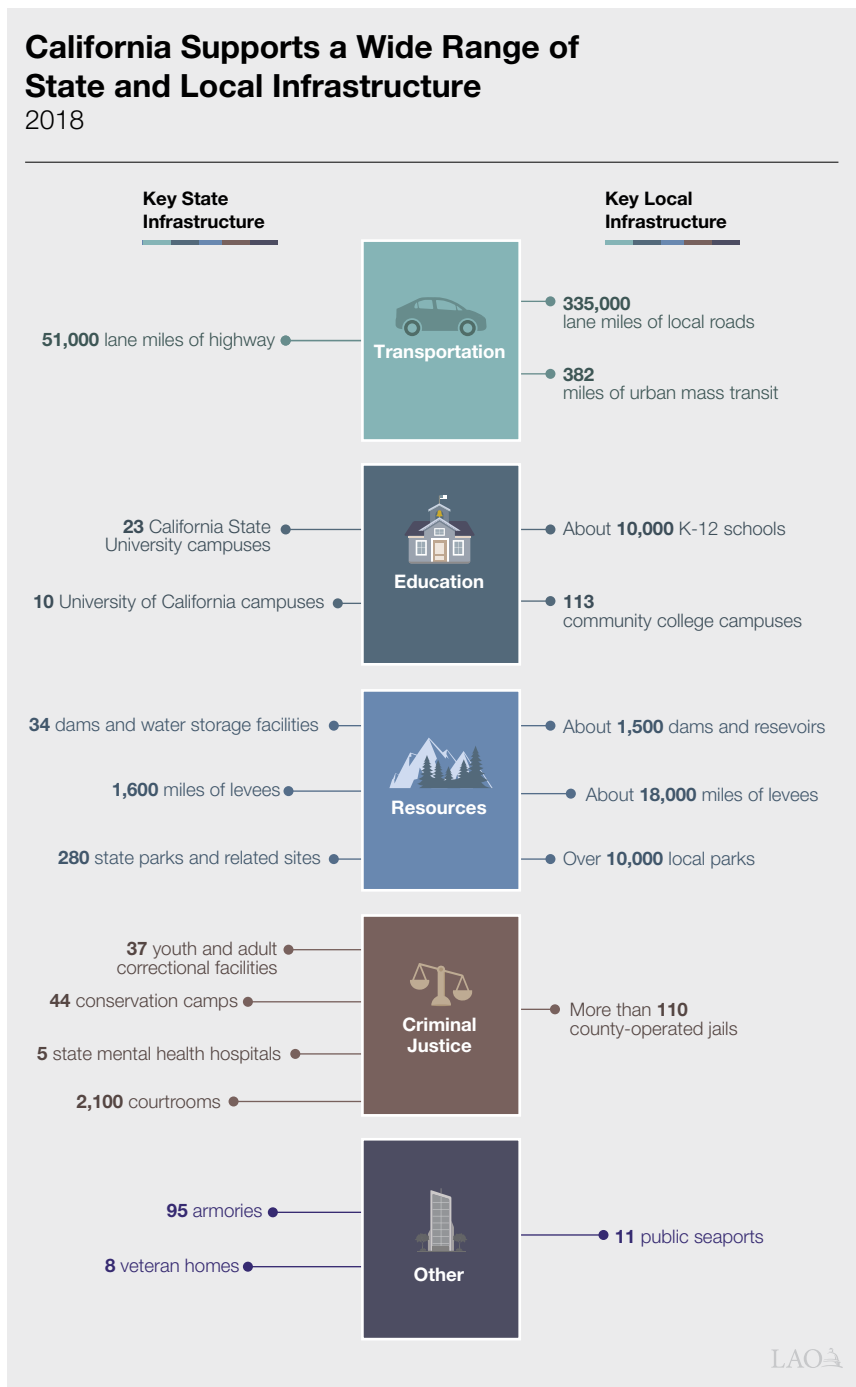
Infrastructure Spending

- We define infrastructure spending as state spending for acquiring, planning, designing, or constructing major physical assets. This includes spending for the major renovation or rehabilitation of an existing asset.
- Infrastructure funding varies based on the level of government and the issue area.
- To some extent, state-level infrastructure is guided by the state's five-year infrastructure plan.
- In some areas of statewide interest, the state partners—largely by providing a portion of the funding—with local governments for infrastructure needs. Examples include:
 - Transportation.
 - Schools.
 - Housing and homelessness.
- In some other areas, local governments generally are responsible for their infrastructure funding, these include local police and fire stations.
- There are two primary mechanisms for financing capital outlay and infrastructure: cash and bonds.



State-Supported Infrastructure

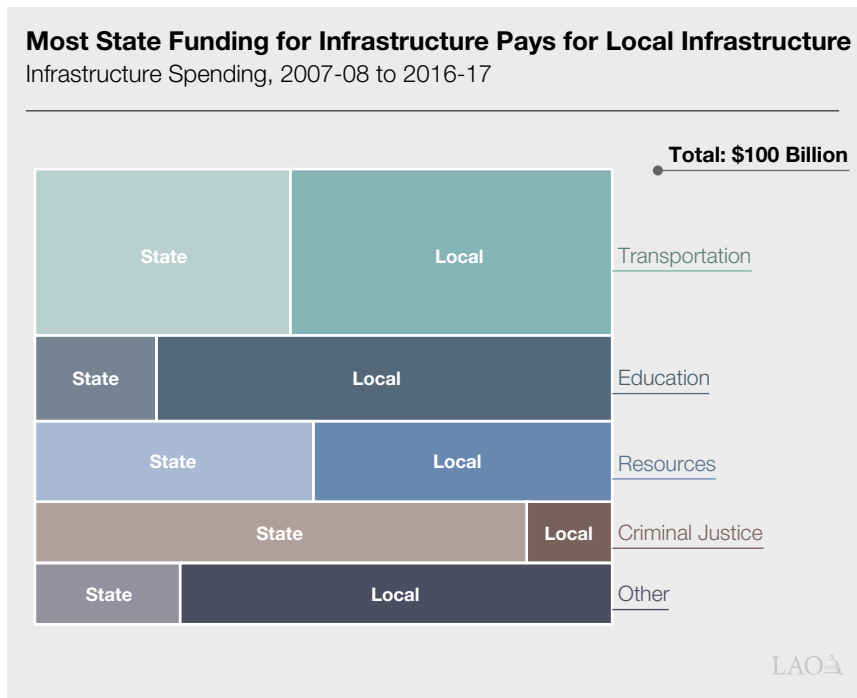
What Types of Infrastructure Does the State Support?



State-Supported Infrastructure

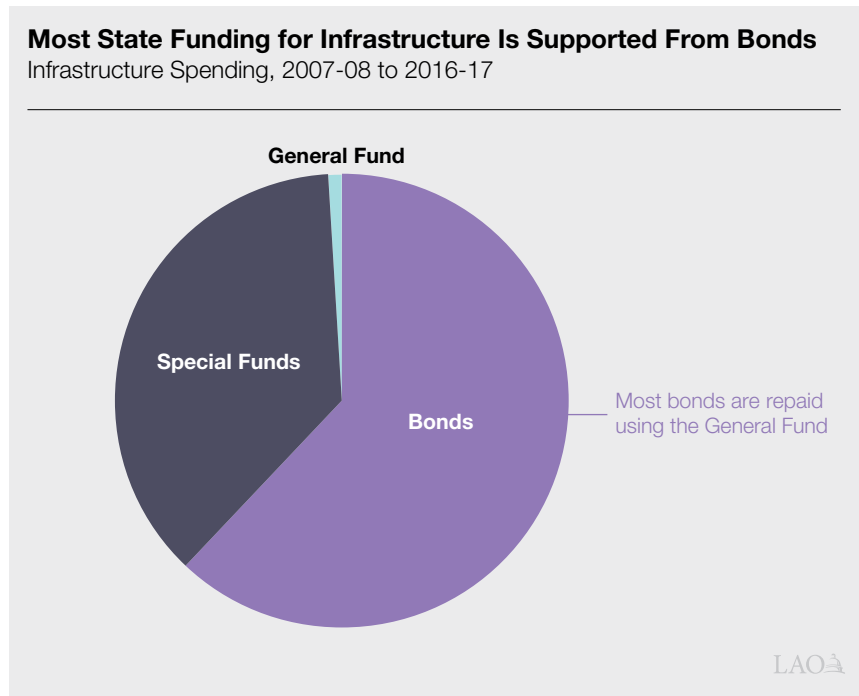
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How Much Funding Does the State Provide for State and Local Infrastructure?



Recent General Fund Spending

Typically, Most State-Supported Infrastructure Is Financed by Bonds and Special Fund Revenue.



Recent General Fund Spending

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Recent Budgets Allocated a Significant Amount of General Fund to Capital Outlay. In part due to constraints posed by the state appropriations limit, recent budgets allocated significant amounts of General Fund toward capital outlay and infrastructure projects across a wide spectrum of policy areas. A number of these appropriations benefit local entities, including local governments.

