

MARCH 15, 2023

# State Infrastructure Spending

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PRESENTED TO:

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



LEGISLATIVE ANALYST'S OFFICE

# Infrastructure Spending

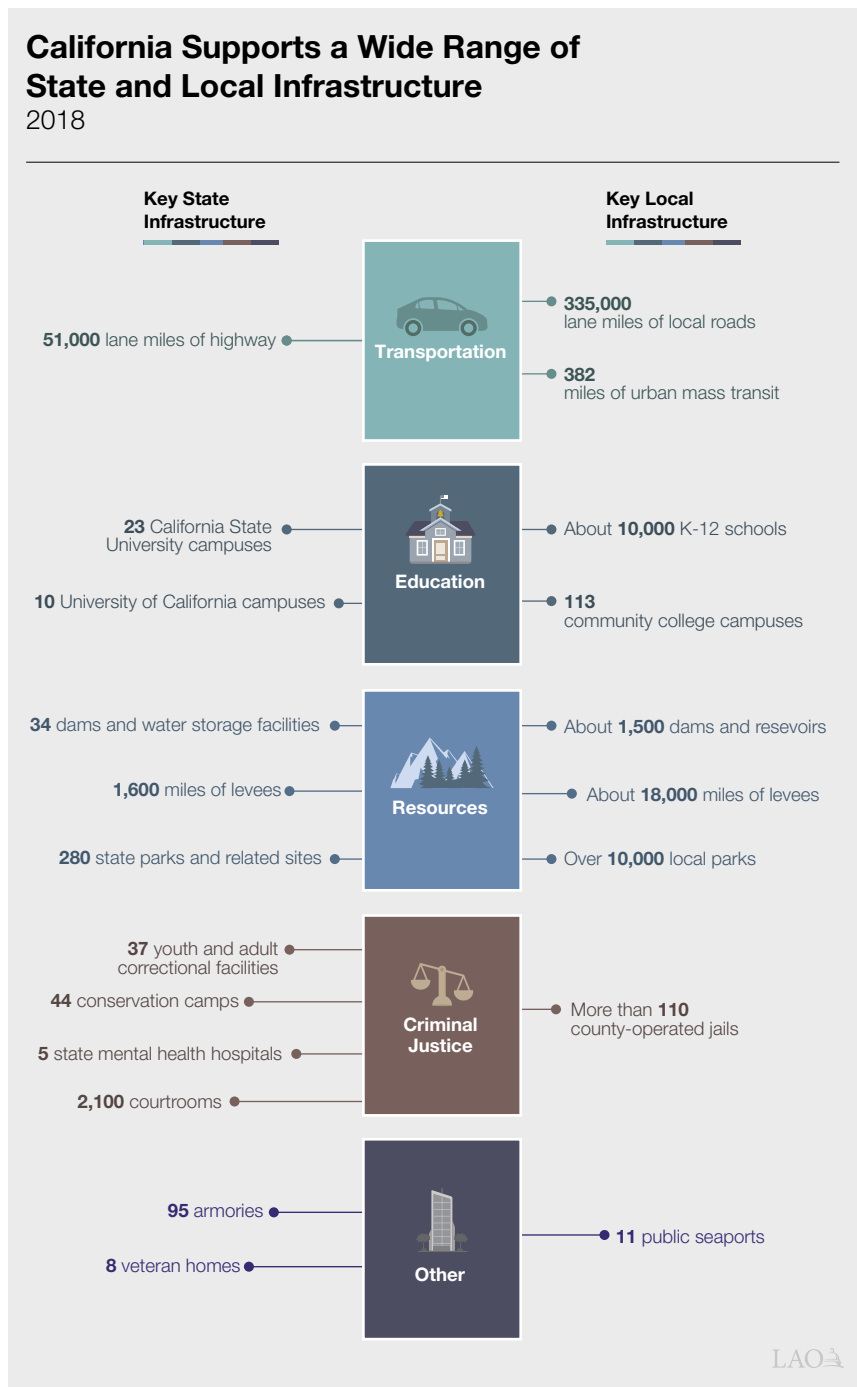
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- We define infrastructure spending as state spending for acquiring, planning, designing, or constructing major physical assets. This includes spending for the major renovation or rehabilitation of an existing asset.
- Infrastructure funding varies 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

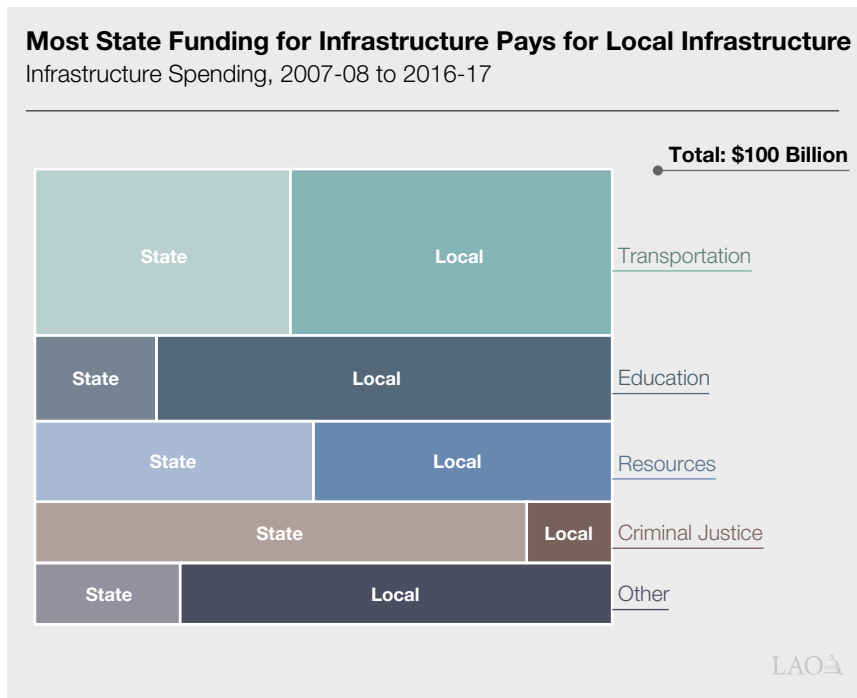
## What Types of Infrastructure Does the State Support?



# State-Supported Infrastructure

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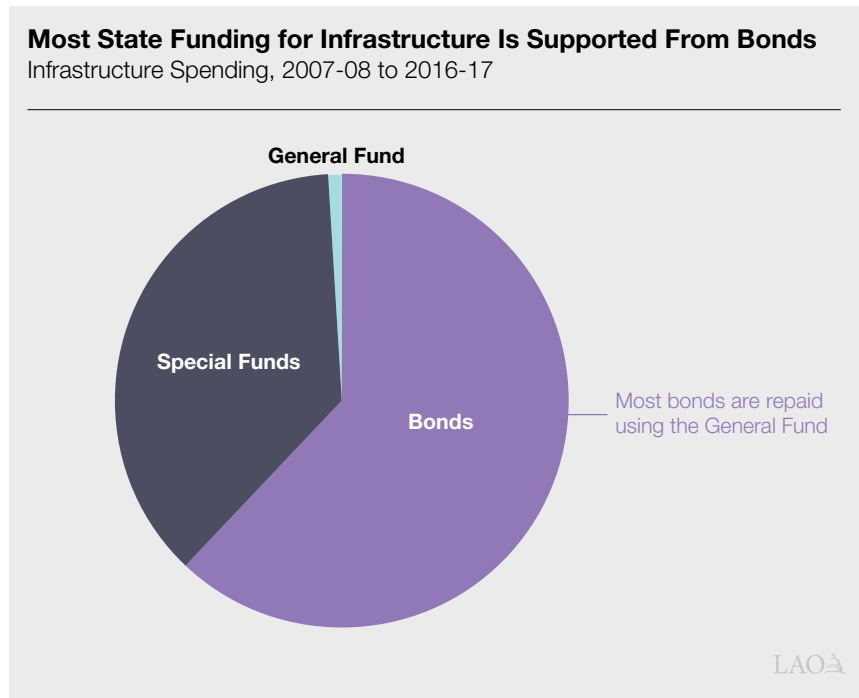
## How Much Funding Does the State Provide for State and Local Infrastructure?



# Recent General Fund Spending

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*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.

