

California State PTA

Legislation Study Committee Report for Statewide Ballot Measure

Proposition 4

November 5, 2024 – Statewide General Election

AUTHORIZES BONDS FOR SAFE DRINKING WATER, WILDFIRE PREVENTION, AND PROTECTING COMMUNITIES AND NATURAL LANDS FROM CLIMATE RISKS

LEGISLATIVE STATUTE

*Safe Drinking Water, Wildfire Prevention, Drought Preparedness,
and Clean Air Bond Act of 2024*

*Study Committee Members: Beth Meyerhoff, Mary Perry, Linda Tsang, Carol Kocivar
in consultation with Houri Khatchadorian, Denise Morgan, Kathleen Fay*

SUMMARY

Authorizes **\$10 billion** in general obligation bonds for water, wildfire prevention, and protection of communities and lands.

Proposition 4 would authorize the issuance of bonds to finance various projects to reduce climate risks and impacts:

- \$3.8 billion for safe drinking water and water resilience;
- \$1.95 billion for wildfire prevention and extreme heat mitigation;
- \$1.9 billion for protection of natural lands, parks, and wildlife;
- \$1.2 billion for protection of coastal lands, bays, and oceans;
- \$850 million for clean energy; and
- \$300 million for agriculture

Prioritizes projects benefitting disadvantaged communities. Requires annual audits. Appropriates money from General Fund to repay bonds.

[Link to bill text](#)

BACKGROUND

State Pays for Natural Resources and Climate Activities

The state pays for many activities aimed at conserving natural resources, as well as responding to the causes and effects of climate change ("natural resources and climate activities"). These activities focus on increasing the amount of water available for use, conserving land to benefit fish and wildlife, increasing recreational opportunities at state and local parks, and other purposes. In some cases, state government agencies perform natural resources and climate activities. In other cases, the state provides grants and loans to local governments, not-for-profit organizations, and businesses to support similar activities.

State Pays for Natural Resources and Climate Activities in Various Ways

Sometimes the state pays up front for natural resources and climate activities with money it already has. In other cases, the state pays for these activities by using bonds. Bonds are a way that the state borrows money and then repays the money plus interest over time. Over the past decade, the state has spent an average of about \$13 billion each year (annually) on natural resources and climate activities. About 15 percent of this amount has been from bonds.

Prior Climate Bonds

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide primary election, authorized the issuance of bonds in the amount of \$4,100,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

The state still has a few billion dollars remaining from prior natural resources and climate bonds that have not yet been committed for specific activities.

Local and Federal Governments Also Pay for Similar Activities

In addition to the state funding, other entities also pay for natural resources and climate activities. For example, in some areas, local governments pay for water and energy infrastructure as part of their roles as local utilities. Local governments such as cities and counties also pay for local parks. The federal government also pays for various natural resources and climate activities. For example, the federal government provides money to improve local drinking water systems and to build energy infrastructure.

Proposition 4: New Bond for Natural Resources and Climate Activities

Proposition 4 allows the state to sell a \$10 billion bond for natural resources and climate activities. Much of the bond money would be used for loans and grants to local governments, Native American tribes, not-for-profit organizations, and businesses. Some bond money also would be available for state agencies to spend on state-run activities.

Funding Would Pay for a Variety of Activities

Proposition 4 pays for activities within eight broad categories, each with different goals. Some of the main activities in each category are summarized below:

Source: [LAO Analysis](#)

- **\$3.8 billion for safe drinking water and water resilience**
 - **Drought, Flood, and Water Supply** – Increase the amount and quality of water available for people to use and reduce the risk of flooding.
Roughly half of this money would be for activities to increase the amount and quality of water available for people to use (\$1.9 billion). This would include storing water so it can be used during future droughts, as well as cleaning polluted water to make it safe to drink. Money would also be used to help reduce the risk of floods, such as by repairing dams and capturing and reusing stormwater (\$1.1 billion). The rest of the money would be used for various activities, such as restoring rivers and lakes.
- **\$1.95 billion for wildfire prevention and extreme heat mitigation**
 - **Forest Health and Wildfire Prevention** – Improve the health of forests and protect communities from wildfires: \$1.5 billion.
All of this money would support activities to improve the health of forests and reduce the risk of severe and destructive wildfires. This would include thinning trees in forests that are overgrown and clearing vegetation near where people live. Money would also be used for other activities, such as helping homeowners make their properties more resistant to wildfire damage.
 - **Extreme Heat** – Reduce the effects of extreme heat on communities: \$450 million.
Much of this money would pay for activities focused on protecting communities from extreme heat (\$200 million). These activities could include adding trees and greenspaces. Money would also support places for people to go during heatwaves or disasters (\$100 million). The rest of the money would provide grants for local communities to conduct activities that provide environmental benefits, such as reducing air pollution (\$150 million).
- **\$1.9 billion for protection of natural lands, parks, and wildlife**
 - **Land Conservation and Habitat Restoration** – Protect and restore natural areas: \$1.2 billion.
This money would be used to protect and restore land for the benefit of fish and wildlife. For example, it could support purchasing land to set aside so that it is not developed.
 - **Parks – Expand, renovate, and repair local and state parks: \$700 million.**
The bulk of this money would support various activities that expand recreational opportunities at parks or reduce the impacts of climate change on parks (\$300 million). These activities could include adding new trails and parking areas. Some of this money would provide grants to local communities to build new parks or renovate existing parks (\$200 million). The rest of this money would be used to repair state parks and provide nature education (\$200 million).
- **\$1.2 billion for protection of coastal lands, bays, and oceans**
 - **Sea-Level Rise and Coastal Areas** – Reduce the risks from sea-level rise, restore coastal areas, and protect fish.
Most of this money would pay for activities to restore coastal areas and protect them from the effects of rising sea levels (\$890 million). This could include restoring wetlands so they can serve as buffers to rising sea levels. The rest of this money would be used to improve ocean habitats and protect fish and other marine wildlife (\$310 million).
- **\$850 million for clean energy**
 - **Energy Infrastructure** – Support the state's shift to more renewable sources of energy, such as offshore wind.

More than half of this money would support the development of wind turbines off the California coast (\$475 million). Most of the remaining money would pay for building infrastructure such as transmission lines to carry electricity long distances (\$325 million). The rest of the money would pay for projects to build large batteries that store electricity for when it is needed (\$50 million).

- **\$300 million for agriculture**

- **Farms and Agriculture – Help farms respond to the effects of climate change and become more sustainable.**

Much of this money would be used for activities that encourage farmers to improve soil health, reduce air pollution, and use less water (\$105 million). This money would also support community gardens and farmers' markets, such as by purchasing shade canopies (\$60 million). The rest of this money would support a range of other activities, such as purchasing vans to transport farmworkers and conserving farmland.

Establishes Other Requirements for the Use of Funds

Proposition 4 requires the bond money to be used in certain ways. For example, at least 40 percent of bond money must be used for activities that directly benefit communities that have lower incomes or are more vulnerable to the impacts of climate change. Proposition 4 also requires regular public reporting of how the bond money is spent.

FISCAL EFFECTS

Increased State Costs of ±\$400 Million Annually for 40 Years to Repay the Bond

The estimated cost to repay the bond would be about \$400 million annually over a 40-year period. Payments would be made from the state General Fund. (The General Fund is the account the state uses to pay for most public services, including education, health care, and prisons.) This would be less than one-half of 1 percent of the state's total General Fund budget. Since the state has to pay interest on the money it borrows, the total cost of the bond would be about 10 percent more (after adjusting for inflation) than if the state paid up front with money it already has.

Likely Reduced Local Costs for Natural Resources and Climate Activities

The availability of state bond funds could have various fiscal effects on local governments. In some cases, the additional state funding could replace local government money that would otherwise be needed to pay for a project. For example, this could include using bond funds to help support an essential water treatment facility the local government otherwise would have needed to fund by itself. In other cases, however, the availability of state funds could encourage local governments to spend more money to build larger projects than they otherwise would. For example, this could include adding additional amenities to a local park. On net, Proposition 4 likely would result in savings to local governments. The amount of these savings is uncertain but could average tens of millions of dollars annually over the next few decades.

Potential State and Local Savings if Funding Prevents Disasters

To the extent the bond funds result in completing activities that reduce the risk or amount of damage from disasters, it could reduce state and local costs for responding to and recovering from those events. For example, improving a levee could reduce the amount of flooding that occurs. Additionally, thinning trees in a forest could reduce the severity of wildfires. The amount of such potential savings is uncertain.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact

Increased state costs of about \$400 million annually for 40 years to repay the bond.

State Bond Cost Estimate

Amount borrowed	\$10 billion
Average repayment cost	\$400 million per year over 40 years
Source of repayment	General tax revenue

Fiscal Comments

- 1) *Bond costs.* Total principal and interest costs of approximately \$19.3 billion to pay off the bonds (\$10 billion in principal and \$9.3 billion in interest), with average annual debt service payments of \$650 million (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 5.0%.
- 2) *Administrative costs.* This bond measure would allow for up to 7.0% of the bond allocation to any entity to be used for administrative costs. Over the lifetime of the bond and contingent upon future appropriations in the budget, roughly \$700 million of the bond funds could be used for administration.
- 3) *Ballot costs.* One-time Secretary of State costs, likely in the range of \$738,000 to \$984,000 (General Fund), for printing and mailing costs to place the measure on the ballot in the November 2024 statewide election.

PTA AUTHORITIES

PTA authorities for legislative positions include the PTA mission, PTA legislative platform, resolutions, and position statements. [PTA Resolutions](#) come from our members and call attention to a problem and a need for action on a particular issue with statewide implications affecting children, youth, and families. [PTA position statements](#) establish, clarify, or interpret a PTA position or belief. Position statements can help provide a basis for action on legislation and other California State PTA action. Below are the authorities relevant to this ballot measure.

Legislation Platform

The legislation platform reflects the priorities that guide our efforts to secure adequate laws for the care and protection of children, youth and families.

General Principles

3. Effective governance systems and practices that are rooted in social justice to effectively serve the needs of children, youth and families.
5. Establishment of and adherence to fiscal responsibility in government, with concern for fair taxation, but keeping priorities for the needs of all children and youth foremost.
7. Strong and broadly based tax structures at state and local levels.

Legislation Planks

5. Establishment of and adherence to fiscal responsibility in government, with concern for fair taxation, but keeping priorities for the needs of all children and youth foremost.
14. To prevent, control or eliminate hazards to the health, safety and well-being of all children and youth.
21. To promote public policies that protect and conserve natural resources and provide a quality environment for present and future generations.
23. To support the needs of vulnerable children in all aspects of their lives.

Resolutions

STATE TAX REFORM

Adopted by Convention Delegates May 1991 Reviewed by Board of Managers March 2013

(excerpt)

RESOLVED, That the California State PTA vigorously seek and support legislation and/or necessary ballot measures to fundamentally restructure the state tax system to ensure a broadly based, equitable system of taxation that generates adequate revenues to fund education and all other services needed by the children, youth and families of California.

AIR POLLUTION

Adopted by Convention Delegates May 3, 1973 / Reviewed by Board of Managers February 2014

(excerpt)

RESOLVED, That the influence of urban planning and social behavior on air pollution be a matter for inclusion in the curriculum; and be it further That continuing encouragement be given to legislative and enforcement policies which will promote solutions for the existing problems of air pollution.

CLIMATE CHANGE IS A CHILDREN'S ISSUE

Adopted by Convention Delegates May 2015

(excerpt)

RESOLVED, That the California State PTA, its units, councils and districts urge school districts to support programs and strategies to make schools more climate-safe and energy efficient models to prepare children for climate changes already underway; and be it further

RESOLVED, That the California State PTA consider climate change a children's issue and urge its units, councils and districts to advocate for comprehensive local, state and national legislation to substantially reduce man-made contributions to climate change and to mitigate its impact on children's health; and be it further

HOT WEATHER STANDARDS IN THE SCHOOL SETTING

Adopted by Convention Delegates 1992 / Reviewed by Board of Managers March 2012

(excerpt)

RESOLVED, That the California State PTA seek and support legislation to provide funds for air conditioning of schools where temperatures regularly exceed 85 degrees inside the classroom for an extended period of time while school is in session; and be it further

INDOOR AIR QUALITY (IAQ) IN SCHOOLS

Adopted by Convention Delegates May 2007

(excerpt)

RESOLVED, That the California State PTA, its units, councils and districts support legislative and regulatory efforts to reduce IAQ pollutants in schools, including securing full funding for IAQ-related assessments, construction, maintenance and repair of school facilities, creating IAQ standards and guidelines for schools, and providing incentives for IAQ-friendly school construction and renovation.

TEMPERATURE CONTROL STANDARDS IN THE SCHOOL SETTING

Adopted by Convention Delegates May 2019

(excerpt)

RESOLVED, That the California State PTA seek and support legislation to provide funds for air conditioning of schools where temperatures exceed 80 degrees inside the classroom while school is in session; and be it further

SUPPORT AND OPPOSITION

Source: California Secretary of State

Argument in favor of Proposition 4

YES on 4: TO CLEAN AND PROTECT OUR DRINKING WATER, PREVENT WILDFIRES

Prop 4 makes urgent, commonsense investments to protect our communities, health, economy and natural resources by:

- Cleaning up and protecting water supplies
- Preventing devastating wildfires
- Protecting forests, beaches, fresh water sources, and wildlife habitat

Voting Yes on 4 is urgently needed. California faces increasing threats from wildfires, water pollution, and extreme heat. Investments today can prevent future costs and damage from a changing climate and more frequent natural disasters.

PROVIDING CLEAN, SAFE DRINKING WATER

Prop 4 will clean up and protect California's drinking water supplies in all regions of California - remove toxic pollutants from our drinking water, addressing infrastructure risks like weakened dams and levees, and increasing supplies.

Today, nearly 1 million Californians lack access to drinking water that meets safety and reliability standards, according to the State Water Board. Yes on 4 helps ensure we all have safe water to drink.

PREVENTING DEVASTATING WILDFIRES AND SMOKE

Recent California wildfires have burned 2 million acres, released toxic smoke into our air, and polluted drinking water supplies. Fire damage and smoke have harmed quality of life and health, including children's lungs, in every corner of California. Prop 4 invests in projects to prevent wildfires, reduce their intensity when they do occur, and improve disaster response.

"Giving firefighters the tools to prevent wildfires is the best, most cost effective way to prevent the human and financial costs of these disasters. Prop 4 makes the right investments to save lives and billions .in response and recovery costs."

- President, Tim Edwards, CALFIRE Firefighters

PROTECTING FORESTS, BEACHES, RIVERS, STREAMS, AND WILDLIFE

Our beaches, forests, and mountains make California special, and we have a responsibility to protect them for our children and future generations. Protecting natural areas and wildlife is more urgent today than ever before, as we lose wildlife habitat, farm and rangeland, and even beaches wash away. Prop 4 protects these natural areas from wildfire, pollution and other threats from a changing climate.

PROTECTING PUBLIC HEALTH

By removing pollution from the air and toxins from our water, Prop 4 protects the health of vulnerable seniors and children.

STRONG FISCAL RESPONSIBILITY, ACCOUNTABILITY & TRANSPARENCY

California is already paying the price for failing to adequately prepare for drought and a changing climate. This measure helps shift from disaster response to prevention. Our state and communities will save billions more by avoiding and reducing damage from wildfires, droughts, and floods.

Prop 4 contains strict fiscal accountability and transparency:

- Annual independent audits
- Full public disclosure of all future funding

Join California firefighters (CalFire Local 2881), the National Wildlife Federation, the Nature Conservancy, Clean Water Action, and water agencies including San Diego Co Water Authority: YES on 4.

Jennifer Clary, State Director, Clean Water Action

Tim Edwards, President, CALFIRE Firefighters

Beth Pratt, California Regional Executive Director, National Wildlife Federation

Argument against Proposition 4

TOO MUCH DEBT, TOO LITTLE BENEFIT: THE PROBLEM WITH PROPOSITION 4

Bonds are the most expensive way for the government to pay for things. Proposition 4 would add a whopping \$10 billion of debt to the taxpayers - PLUS an estimated \$9.3 billion in interest - to pay for climate-related programs. This funding would also cover administrative costs and salaries for grant recipients. But remember, this is borrowed money.

At the start of the year, California already had over \$78 billion of bond debt. Proposition 1 in March added another \$6.38 billion. Now there's a proposal to add an additional \$10 billion for ambiguous climate programs. Guess who's going to foot the bill? That's right-we taxpayers. Our

tax dollars will be diverted from essential services to cover interest payments and principal repayment of the bond.

Bonds are borrowed money that must be paid back, PLUS INTEREST, no matter what the state must cut to do it. Governor Newsom already declared a budget emergency because the state spends more than it takes in. How many programs will have to be cut in the future to pay for Proposition 4? According to the nonpartisan Legislative Analyst's Office, we had a \$62 billion deficit this year. What will happen when we have both a deficit AND the obligation to repay this enormous bond debt?

Two years ago, California had a nearly \$100 billion SURPLUS. If these climate projects had been prioritized then, we could have covered the entire cost of this bond with just 10 percent of that surplus. Now, due to the government's inability to manage its spending, they are asking voters for more of their hard-earned money.

AS A VOTER, YOUR TAX DOLLARS SHOULD FUND YOUR HIGHEST PRIORITIES, NOT PET PROJECTS.

Bonds should be reserved for financing essential projects that will build infrastructure lasting beyond the 30-year payoff period. However, many elements of Proposition 4 fail to meet that standard, resulting in \$10 billion of spending just being added to the taxpayers' credit card - with a lack of accountability or measured metrics for success! Proposition 4 is full of money being funneled to unproven technologies that may sound promising on paper but have no concrete evidence of success. By committing funds to speculative projects, Proposition 4 overlooks long-term water storage and critical wildfire fuel management programs in favor of short-term, unproven projects.

IT'S RECKLESS TO USE COSTLY BORROWED MONEY TO PAY FOR UNPROVEN PROGRAMS.

Proposition 4 represents a reckless increase in state debt with questionable benefits. The government should prioritize essential services and ensure that any borrowing is reserved for projects that provide lasting, tangible benefits to the state and its residents. Vital programs should be funded in the budget with the taxes we already pay, not through costly borrowing. What's in the budget that's a higher priority than safe drinking water and wildfire prevention? Politicians should answer that question before racking up another \$10+ billion in debt that will have to be paid back, WITH INTEREST.

Signers:

SENATE MINORITY LEADER BRIAN W. JONES

ASSEMBLYMAN JIM PATTERSON

JON COUPAL, PRESIDENT

HOWARD JARVIS TAXPAYERS ASSOCIATION

ANALYSIS

On November 5, 2024, California voters will decide whether or not to pass Proposition 4. This measure, which (as SB 287 (Allen) – *Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024*) was placed on the ballot through action by the California State Legislature and Governor Newsom, is now titled: **AUTHORIZES BONDS FOR SAFE DRINKING WATER, WILDFIRE PREVENTION, AND PROTECTING COMMUNITIES AND NATURAL LANDS FROM CLIMATE RISKS.**

Proposition 4 authorizes \$10 billion in general obligation bonds to cover some of the anticipated cost of the growing climate risks all Californians, including our children, face. Eligible applicants for bond funds include school districts and other local government entities. Borrowing the \$10 billion will cost about \$400 million annually for 40 years to repay. The source of repayment will be general tax revenue. Total principal and interest costs are approximately \$19.3 billion to pay off the bonds (\$10 billion in principal and \$9.3 billion in interest). This bond measure would allow for up to 7.0% of the bond allocation to any entity to be used for administrative costs.

In regard to the use of bond funding that Proposition 4 calls for, that financial strategy is consistent with past advocacy by the California State PTA. Our organization has a long history of supporting bond financing for school infrastructure in particular, as it enables the state to make a stable, predictable financial commitment to school facility needs. That in turn helps support the efforts of local schools and communities to do the same.

California State PTA has several authorities for taking action on Proposition 4, as cited above. Perhaps the most compelling one was the resolution passed in 2015, *Climate Change is a Children's Issue*, which calls on our organization to take action to mitigate the impact of climate change on children's health.

A substantial portion of the projects authorized under Proposition 4 call for improvements that can be made on school sites. These are directly aligned with the California State PTA resolutions cited above that are related to school facilities, including the following:

- About one third of the funding is to be used to ensure California's people, including its children, have access to safe drinking water. This includes grants to support critical community infrastructure and schools are specifically named as part of that infrastructure.
- The Extreme Heat Action Plan provides \$450 million to help protect California communities most impacted by extreme heat, including through cooling schools and homes, supporting community resilience centers (which can be in school buildings), and expanding nature-based solutions such as green schoolyards.

Link to [Text of Proposed Law \(PDF\)](#)

Key points of interest:

Water. More than 60 percent of California’s rivers and streams fail to meet federal clean water standards, and more than 1,000,000 Californians still lack easy access to safe, affordable, and clean drinking water. California must make needed investments to keep toxic pollution out of our water and ensure every person in the state has clean water to drink.

Heat. The Extreme Heat Action Plan outlines a strategy to protect communities from rising temperatures in order to accelerate readiness and protection of communities most impacted by extreme heat, including through cooling schools and homes, supporting community resilience centers, and expanding nature-based solutions.

Prevention. The Federal Emergency Management Agency estimates that every dollar spent on resiliency saves \$6 in disaster relief. A \$10 billion investment could help avoid \$60 billion in disaster relief.

Schools. Eligible applicants for bond funds include **school districts** and other local government entities.

- There shall be \$60 million available for the creation of strategically located community resilience centers across diverse regions of the state at community facilities. **Schools are specifically listed as eligible community facilities.**
- **Greening.** There shall be \$100 million available to the Natural Resources Agency for urban greening to support projects that mitigate the urban heat island effect, rising temperatures, and extreme heat impacts. Projects may include creation and expansion of green streets and alleyways, and investments that support an expanded urban greening program that supports the creation of green recreational parks and **green schoolyards** in park-poor communities.

Education. There shall be \$25 million available to the Natural Resources Agency for grants to nature and climate education and research facilities, nonprofit organizations and public institutions, natural history museums, California zoos and aquariums accredited by the Association of Zoos and Aquariums, and geologic heritage sites that serve diverse populations. Grants may be used for buildings, equipment, structures, and exhibit galleries that present collections to promote climate, biodiversity, and cultural literacy.

RECOMMENDATIONS

Based on the California State PTA authorities and the fiscal impact of this proposed initiative, this committee recommends California State PTA take a SUPPORT position on Proposition 4.