



Proposition 4

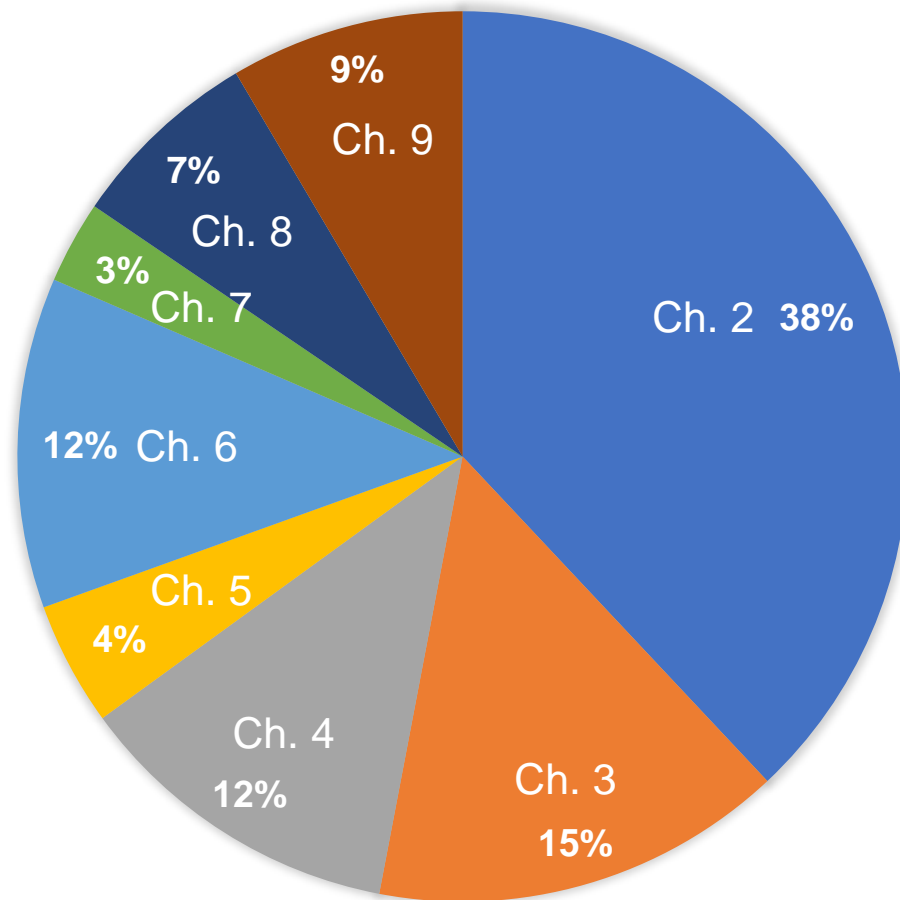
Board of Directors

September 24, 2024

Background

- On July 3, 2024, Acting Governor Senate President Pro Tempore Mike McGuire signed into law Senate Bill (SB) 867 (Allen), known as the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.
- SB 867 will appear on the November 5, 2024, general election ballot as Proposition 4.

Overview of Funding (8 Main Funding Categories)



- Ch. 2 Safe Drinking Water, Drought, Flood, & Water Resilience
- Ch. 3 Wildfire & Forest Resilience
- Ch. 4 Coastal Resilience
- Ch. 5 Extreme Heat Mitigation
- Ch. 6 Protect Biodiversity & Accelerating Nature-Based Climate Solutions
- Ch. 7 Climate Smart, Sustainable, & Resilient Farms, Ranches, & Working Lands
- Ch. 8 Park Creation & Outdoor Access
- Ch. 9 Clean Air

Proposition 4 Funding Categories

- Chapter 2 – Safe Drinking Water, Drought, Flood, and Water Resilience (\$3.8 billion)
- Chapter 3 – Wildfire and Forest Resilience (\$1.5 billion)
- Chapter 4 – Coastal Resilience (\$1.2 billion)
- Chapter 5 – Extreme Heat Mitigation (\$450 million)
- Chapter 6 – Protect Biodiversity and Accelerating Nature-Based Climate Solutions (\$1.2 billion)
- Chapter 7 – Climate Smart, Sustainable, and Resilient Farms, Ranches, and Working Lands (\$300 million)
- Chapter 8 – Park Creation and Outdoor Access (\$700 million)
- Chapter 9 – Clean Air (\$850 million)

Fiscal Effects

- According to the Legislative Analyst's Office:
 - Increased state costs of about \$400 million annually for 40 years to repay the bond.
 - Savings to local governments for natural resources and climate activities likely, amount uncertain but could average tens of millions annually over next few decades.
 - “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.”

Support Arguments*

Supporters of the measure state that:

- Proposition 4 makes urgent, commonsense investments to protect our communities, health, economy and natural resources by cleaning up and protecting water supplies, preventing devastating wildfires, and protecting forests, beaches, fresh water sources, and wildlife habitat.
- Proposition 4 includes investments that "can prevent future costs and damage from a changing climate and more frequent natural disasters."

*Taken from the Official Voter Information Guide for the November 5, 2024 General Election. See Legislative Report for additional support and opposition.

Opposition Arguments*

Opponents of the measure state that:

- Proposition 4 adds \$10 billion of debt to the taxpayers plus an estimated \$9.3 billion in interest, with taxpayers having to foot the bill and tax dollars being diverted from essential services to cover repayment.
- If the bond's climate projects had been prioritized when California had a nearly \$100 billion surplus the entire cost of the bond could have been covered.

*Taken from the Official Voter Information Guide for the November 5, 2024 General Election. See Legislative Report for additional support and opposition.

Official Support and Opposition

According to the Official Voter Information Guide for the November 5, 2024 election:

Support

Clean Water Action, CALFIRE Firefighters, National Wildlife Federation, and the Nature Conservancy

Opposition

Howard Jarvis Taxpayers Association

Recommended Action

- Approve a support position on ballot measure Proposition 4
– Authorizes Bonds for Safe Drinking Water, Wildfire Prevention, and Protecting Communities and Natural Lands from Climate Risks (Legislative Initiative)

Questions

