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**MEMORANDUM**

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**TO:** Members of the CIRM Transition Subcommittee  
**FROM:** Hon. Art Torres, Vice Chair  
**DATE:** September 18, 2017  
**RE:** Legislative Initiatives for Refunding of CIRM

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In any discussion of refunding of CIRM, a legislative alternative must be examined.

Currently, to place a legislative bond initiative over \$300,000.00 on the ballot for 2018, would require a majority vote of both houses of the legislature and the Governor's signature.

At present, we have 52 Democrats and 28 Republicans in the Assembly.

The Committees that would hear such a legislative proposal would be the Assembly Health Committee with 10 Democrats and 2 Republicans; and, if it passed, it would go to the Assembly Elections and Redistricting Committee with 5 Democrats and 2 Republicans.

The State Senate has 27 Democrats and 13 Republicans.

The Senate Health Committee has 7 Democrats and 2 Republicans.  
The Constitutional Amendments committee has 4 Democrats and 1 Republican.

The Senate will probably change leadership from Senator Kevin De Leon to someone else sometime in June or July 2018.

Barring any surprises, the current Speaker, Anthony Rendon would remain until 2024, if he continues to be elected to the Assembly.

In both the Assembly and the Senate each step would require a majority vote in each committee and the floor of each house.

To place an initiative on the ballot through signatures it would require meeting certain deadlines and 365,880 signatures. Since the amount of signatures required to place an initiative on the ballot is tied to the number of people who voted for Governor, we will not know the signature threshold until after the November, 2018 elections.

The current 2018 November election climate for bond initiatives through the legislature totals nearly \$12 Billion, including dueling \$3 Billion water and parks, another \$3 Billion housing bond, a \$2 Billion higher education bond and a \$600 million measure to provide funds to buy cleaner-burning fuels.

Even without the school bonds or soon to be sold bullet train bonds, the state already has well over \$80 billion in outstanding general obligation debt with close to \$8 Billion a year in debt payments.

The 2016 school bond would add about \$500 million a year.

In short, servicing the State's debt is now more than we spend on the University of California and the California State University systems combined.

This review does not take into consideration what other bond initiatives may be introduced for the November 2018, ballot including infrastructure needs for dams and levees.

No one knows what other damage new winter storms in 2018 might bring.

As for the Governor, he could wield enormous influence on any new legislative bond initiatives coming through the legislature. A new Governor will be elected in 2018.

The Governor's main comment on the debt issue was at a press conference early this year:

"In general we ought to be coming more pay-as-you-go".