

San Diego River Conservancy  
Capital Outlay Proposals  
2007-08

BCP-07 General Fund Loan

The Conservancy requests General Fund Loan Authority up to \$5 million (\$5,000,000).

The purpose of the General Fund Loan Authority is to provide a source of funds (cash flow) with which the Conservancy may pay advance expenditures until reimbursements are received. This source of funds is requested because the Conservancy is relatively new and has never had its own source of upfront funds with which to pay expenditures in advance.

I have the following concerns with the request:

1. The request is unnecessary, the bond already includes language which allows Department of Finance (DOF) to front cash flow for approved projects.
2. General Fund loans are counted by DOF as expenditures against the states General Fund expenditures, therefore this request would actually be viewed as spending \$5 million.
3. The request is not specific as to what projects would need cash advances.

Based on the preceding analysis I cannot support the request.