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# California State Senate

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ON  
BUDGET AND FISCAL REVIEW

ROOM 5019, STATE CAPITOL  
SACRAMENTO, CA 95814

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## Agenda February 16, 2010 Room 4203

**2:30 p.m. or upon adjournment of Session**

### *Governor's Special Session Budget Proposals*

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<b>Item 2660 – Department of Transportation</b>	<b>2009-10</b> (in thousands)	<b>2010-11</b> (in thousands)	<b>Hearing</b> <b>Date</b>	<b>Recommendation</b>
<p><b>1. Fuel Tax Swap</b></p> <p><u>Alternative to Governor’s Fuel Swap:</u></p> <p><b>For transit</b> – Reject elimination of transit funding and permanent elimination of state support for local transit, and instead: (1) appropriate \$400 million for transit operations now; (2) retain the sales tax on diesel (about \$313 million) and direct 75 percent to transit operations beginning in 2011-12; (3) authorize a locally-imposed fee on gasoline to fund local transit, bicycle, and pedestrian projects.</p> <p><b>For roads and highways</b> – Reject the decrease in transportation revenues and instead: (1) maintain full funding at the Prop 42 level for roads and highways in 2010-11; (2) provide additional revenues in 2011-12 and beyond for the STIP, SHOPP, and local roads (via an excise tax that is recalculated annually to match revenue lost from the elimination of the state sales tax on gas).</p> <p><b>For General Fund relief</b> – augment the Governor’s GF relief: (1) increase 2009-10 bond reimbursement by \$162 million; (2) increase 2010-11 GF revenue by \$655million by delaying by one year unitary-group credit sharing and, for 2010, limit NOL usage to 68 percent of income.</p> <p><b>K-12 Impact</b> – Approve placeholder TBL clarifying the impact of the gas tax swap on the Proposition 98 guarantee.</p>			January 21	Adopt alternative fuel swap (see at left).

<b>3540 – Department of Forestry and Fire Protection</b>	<b>2009-10</b> (in thousands)	<b>2010-11</b> (in thousands)	<b>Hearing Date</b>	<b>Recommendation</b>
1. Emergency Response Initiative (ERI) – General Fund Backfill		-\$200,000	January 21	Approve Governor’s proposed TBL. Defer all other ERI expenditure proposals until a later date.

<b>5225 – California Department of Corrections and Rehabilitation</b>	<b>2009-10</b> (in thousands)	<b>2010-11</b> (in thousands)	<b>Hearing Date</b>	<b>Recommendation</b>
1. Implementation of cuts to corrections rehabilitation programs	TBL	\$0	January 28	Approve language directing CDCR to prioritize the retention of credentialed teachers in lieu of hiring teaching assistants as part of its plan to implement budget cuts to rehabilitation programs. Language also allows CDCR to utilize half-day programs where feasible to increase program capacity.