



Funding Update | February 24, 2011

Senate, Assembly Budget Committees Both Approve Re-Enactment of 'Gas Tax Swap'

Issue Won't Be Part of Conference Committee Deliberations; Next Hurdle is Full Floor Votes on Entire Budget Package

Budget Committees in both the Senate and Assembly last week approved Governor Brown's proposal to re-enact the gas tax swap (including the language to calibrate the sales tax on diesel rate in order to maintain a \$329 million STA program for FY 2010-11, and \$350 million going forward).

As a result, the matter will not be subject to deliberations by the Joint Budget Conference Committee. The next step for consideration of the swap would therefore be during Floor votes in each house on the entire budget package. Rumors abound that this will take place sometime during the first week of March. The Governor is pushing for an early March budget agreement so that the tax extensions can qualify for the June ballot.

We'll continue to keep you posted on developments as they occur.

**Please contact Gus Khouri, Legislative Advocate,
at 916-446-4656 if you have any questions about this Funding Update.**