



## **SUBCOMMITTEE STAFF URGES REJECTION OF LAO PROPOSAL**

### ***Budget Panel Meeting Tomorrow Will Hear Recommendations to Support Governor's Plan to Preserve Tax Swap***

Agenda materials for tomorrow's meeting of Assembly Budget Subcommittee No. 3 include a staff recommendation to reject a proposal from the Legislative Analyst's Office (LAO) that would result in drastic reduction – or outright elimination – of the State Transit Assistance (STA) program.

**A subcommittee vote on the matter is expected at tomorrow's hearing, which takes place in State Capitol Room 437 and begins upon the adjournment of Assembly session, which is slated to begin at 9 a.m.**

The staff recommendation further endorses approval of Governor Brown's budget proposal, which retains the transit funding enhancements achieved through last year's "Gas Tax Swap," while providing General Fund relief through the rededication of truck weight fees for bond debt service payment. This proposal appears to be entirely consistent with our Association's policy recommendations. The LAO countered with a plan that includes eliminating the sales tax on diesel fuel (a critical component of the transit funding formula included in the Gas Tax Swap), replacing those revenues with an increase in truck weight fees, and dedicating the entire pot to the General Fund. ([Please see our February 2 Funding Update for further details](#)).

"When this issue was last heard, the LAO presented some alternative options to this proposal that would achieve even greater General Fund savings by shifting funds away from transit," reads the Staff Report. "Because these alternatives would change in the overall framework of the original Gas Tax Swap proposal which was supported by a broad coalition of stakeholders, staff doesn't support these alternatives and recommends that the subcommittee adopt the Governor's proposal in order to maintain funding commitments for transportation and transit, as well as providing savings to the General Fund." [Click here to read the agenda packet for tomorrow's Assembly hearing](#).

**In addition, the matter will also be heard on an information-only basis (no**

**vote to take place) tomorrow during a meeting of Senate Budget Subcommittee No. 2. That hearing takes place in State Capitol Room 2040 beginning at 9:30 a.m., or upon the adjournment of Senate session. [Click here to read the agenda packet for tomorrow's Senate hearing.](#)**

We strongly encourage all transit lobbyists to attend tomorrow's hearings to voice their support for Governor Brown's proposal. Again, the Assembly Subcommittee is expected to vote on the matter, while the Senate Subcommittee hearing is information-only. Please take that into account when considering whether to invite supporters from your community to take part in the hearings.

Please contact Gus Khouri, Association Legislative Advocate, at 916-446-4656, or via email ([gus@caltransit.org](mailto:gus@caltransit.org)) if you have any questions.