

Figure INT-02  
**Major Solutions**  
(Dollars in Millions)

	2007-08 & prior	2008-09	Total
<b><u>Revenue Increases</u></b>			
Corporate Penalty for Understatement of Tax	\$1,435	\$75	\$1,510
Net Operating Loss Suspension and Carryback		1,265	1,265
Tax Credit Limitation and Usage Modification		615	615
Limited Liability Corporations Payment Date Change		360	360
Accelerate Estimated Payments		1,270	1,270
Remove Estimated Payment Option for High Income Taxpayers		1,035	1,035
Accrual Change	416	1,440	1,856
Additional Tax Revenues (LAO/DOF) (June)	120	-250	-130
Additional Tideland Revenues (LAO/DOF)	24	166	190
Additional Revenues from Tribal Compacts		78	78
FTB/BOE Revenue Options		226	226
Transfers from Special Funds		141	141
Justice Settlement (transfer to GF)		11	11
All Other Changes	63	74	137
<b>Total Revenue Increases</b>	<b>\$2,058</b>	<b>\$6,506</b>	<b>\$8,564</b>
<b><u>Borrowing</u></b>			
Economic Recovery Bonds	\$3,313		\$3,313
Loans from Special Funds		\$714	714
<b>Total Borrowing</b>	<b>\$3,313</b>	<b>\$714</b>	<b>\$4,027</b>
<b><u>Expenditure Reductions</u></b>			
Proposition 98:			
Property Tax	\$275	\$423	\$698
Redevelopment Agency Pass Through		350	350
Settle-Up Payment	150		150
Base	671	2,643	3,314
Non Proposition 98:			
Budget Balancing Reductions	113	2,154	2,267
Non Budget Balancing Reductions:			
Medi-Cal Program Savings	165		165
Suspend Prop 58 Transfer		1,509	1,509
Use of Public Transportation Account for Home-to-School Transportation		488	488
Use Spillover Moneys for Debt Service Payments		250	250
Reimburse of GF for Past Debt Service Payments from TDSF		235	235
Reduce Mandates Funding		53	53
Eliminate Estimated Claims for N98 Mandates		75	75
Defer Third Year Payment of 15-Year Plan for Old N98 Mandates		75	75
Eliminate Funding for CCPOA Last, Best, and Final Offer	260	230	490
Health and Dental Benefits for Annuitants Premium Reductions	23	81	104
State Cash Management Improvement Program		60	60
Reduction (Control Section 4.07)		50	50
Savings Due to Budget Delay and Executive Order S-09-08		340	340
All Other Changes	60	137	197
<b>Total Expenditure Reductions, before vetoes</b>	<b>\$1,717</b>	<b>\$9,153</b>	<b>\$10,870</b>
<b>Vetoes</b>		<b>\$510</b>	<b>\$510</b>
<b>Reduce Reserve</b>		<b>\$306</b>	<b>\$306</b>
<b>Total Solutions</b>	<b>\$7,088</b>	<b>\$17,189</b>	<b>\$24,277</b>