

BUSINESS, TRANSPORTATION, AND HOUSING

The programs within the Business, Transportation, and Housing Agency include transportation, affordable housing, and public safety programs. Funding for all programs is derived largely from special fund revenues, federal funds, and bond proceeds.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (Caltrans) has almost 20,000 employees and a budget of \$13.2 billion. Caltrans designs and oversees the construction of state highways, operates and maintains the highway system, funds three intercity passenger rail routes, and oversees funding for local mass transit projects. Approximately 50,000 road and highway lane miles and 12,910 state bridges are maintained. The largest sources of funding for transportation projects are excise taxes paid on fuel consumption, federal funds also derived from fuel taxes, and weight fees on trucks. Bond funds currently provide approximately 30 percent of the total funding available.

ADOPTED SOLUTIONS:

- *Weight Fee Revenue Transfer*—A transfer of \$374.4 million in weight fee revenues to the General Fund in 2012-13. The state collects a fee on commercial trucks based on the weight of the vehicle, which represents compensation for wear and tear on the State's roads and highways. The Budget will transfer existing weight fee revenue above the level needed to offset current debt service on specified general obligation

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transportation bonds to the General Fund. These funds will be used to offset debt service costs in the future.

- *Special Fund Transfers to the General Fund*—A transfer of \$184 million in 2011-12 and \$128.2 million annually starting in 2012-13 from several special funds to the General Fund. The fuel tax swap enacted in the 2010 Budget Act eliminated the state sales tax on gasoline and increased the gasoline excise tax by a like amount. The Budget continues the structural components of the fuel tax swap, including funding related to the backfill of Proposition 42 sales tax dollars. Specifically, the Budget includes \$708.5 million for local roads and \$901.7 million for Caltrans highway projects associated with former Proposition 42 funding.