

# Capitol Alert

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Posted by David Siders



## The latest on California politics and government

Gov. **Jerry Brown** and Democratic legislative leaders have agreed to a proposal to use 25 percent of future cap-and-trade revenue - money polluters pay to offset carbon emissions - to provide ongoing funding for construction of California's high-speed rail project, according to part of a budget deal legislators will consider Thursday, sources said.

The amount falls short of the 33 percent Brown originally sought but is more than the Senate Democrats proposed.

The use of cap-and-trade money is one of the most controversial elements remaining in a spending plan Brown and lawmakers are finalizing this week.

Lawmakers are expected to finish committee work on the budget Thursday, with floor votes Sunday, the constitutional deadline.

Cap-and-trade auctions could generate as much as \$1 billion in 2014-15. The deal lawmakers are considering for the \$68 billion high-speed rail calls for ongoing funding beginning in the 2015-16 budget year.

In addition to high-speed rail, the deal calls for 15 percent of cap-and-trade revenue to go to other transportation projects and 20 percent to go to affordable housing projects and other programs that help reduce greenhouse gases.

The remaining 40 percent of cap-and-trade revenue would go to various transportation, natural resources, energy and other projects.

*PHOTO: Gov. Jerry Brown speaks to reporters at a news conference at the Capitol on Sept. 9, 2013. The Sacramento Bee/Hector Amezcua*

