



Train Riders
Association of California
California Rail Foundation

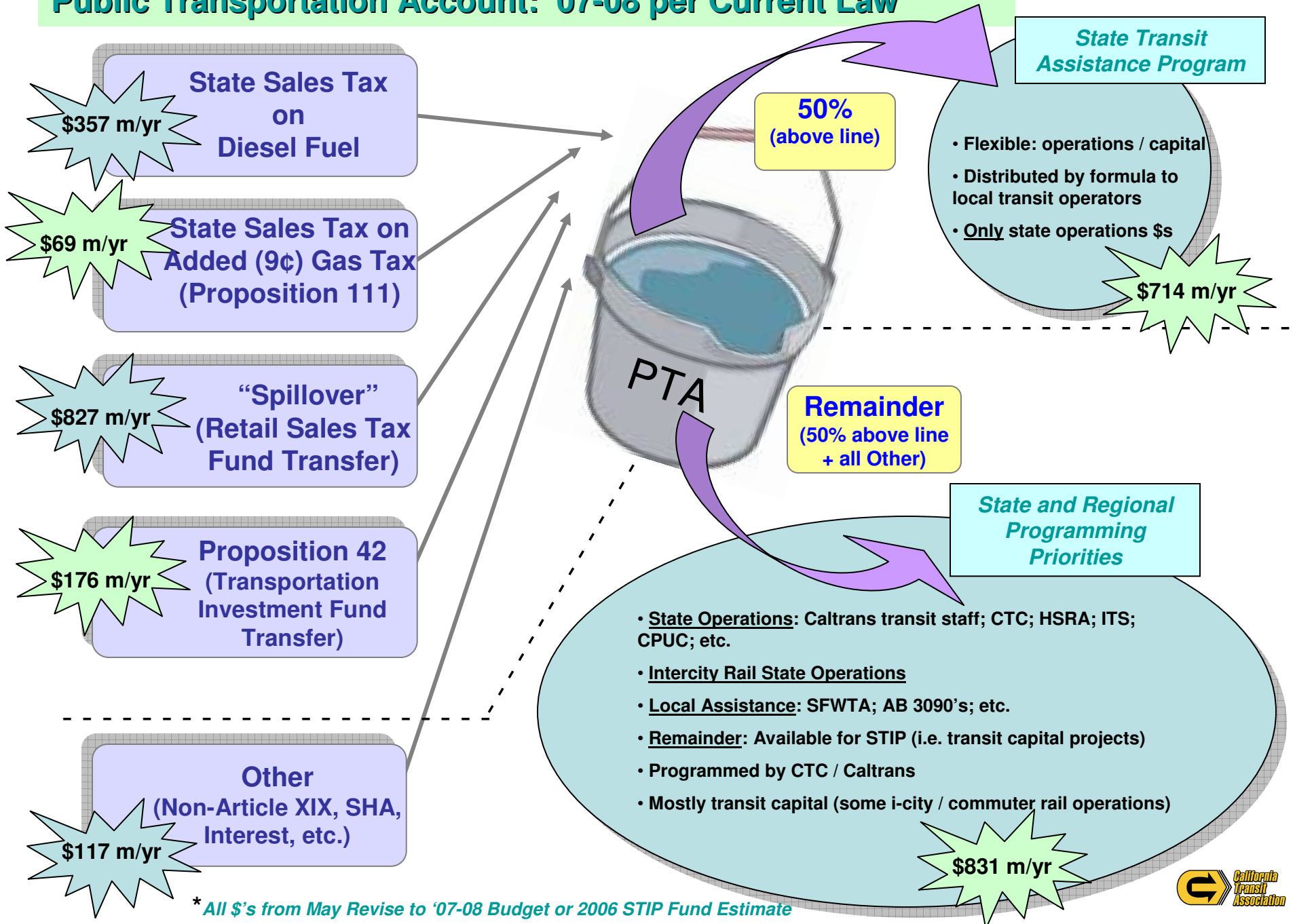
Joshua W. Shaw, Executive Director

California Transit Association

November 3, 2007

San Diego, CA

Public Transportation Account: '07-08 per Current Law

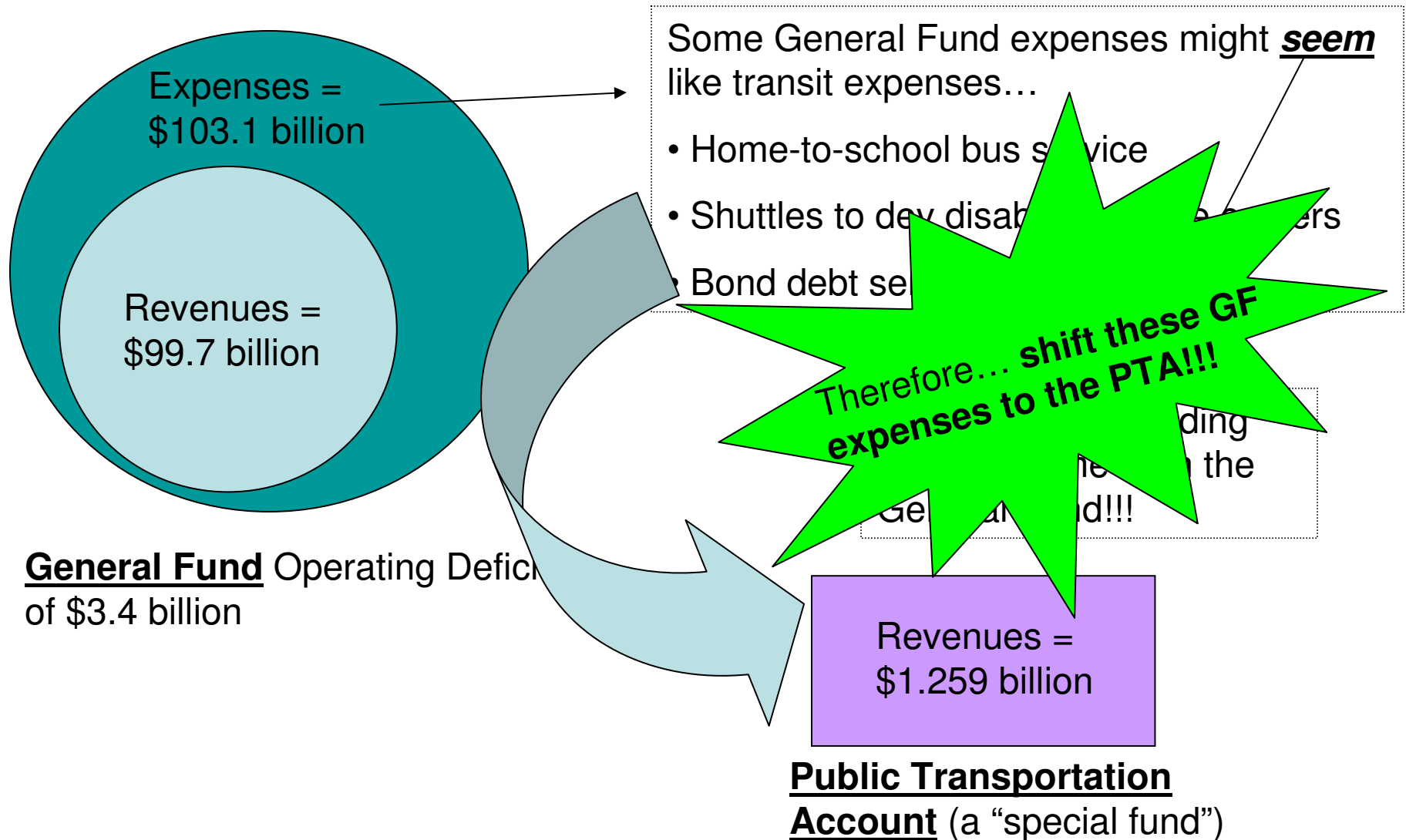


Public Transportation Account

Revenue Losses Since 2000-01

<u>Year</u>	<u>\$ Loss</u>	<u>Where PTA \$'s Went</u>
2000-01	\$70 million	Loan to Toll Bridge Seismic Retrofit Program
	\$275 million	Loan to the Traffic Congestion Relief Fund
2002-03	\$100 million	Loan to the General Fund
2003-04	\$87.5 million	Transfer "spillover" to General Fund
	\$93.4 million	Suspension of the PTA's share of Proposition 42
2004-05	\$108 million	Divert revenue from sale of Caltrans property
	\$105.8 million	Suspension of the PTA's share of Proposition 42
	\$140 million	Transfer "spillover" to other programs
2005-06	\$380 million	Transfer "spillover" to other programs
2006-07	\$200 million	Transfer "spillover" to the General Fund
	\$125 million	Transfer "spillover" to the Bay Bridge Toll Account
2007-08	\$948 million	New permanent expense: G.O. bond debt service
	\$129 million	New permanent expense: regional center transportation
	\$99 million	New permanent expense: home-to-school transportation
	\$83 million	New permanent expense: Prop. 42 loan repayment
Total	\$2.944 billion to-date	

How Does Reducing Transit Spending “Help” the General Fund?!?!



2007-08 State Budget: Treatment of Transit Revenue

- Assembly Budget Bill action:
 - Diverts \$1.259 billion in PTA funds to non-transit
- Diversions:
 - \$948 million -> bond debt service
 - \$129 million -> regional center dev disabled transp
 - \$99 million -> home-to-school transportation
 - \$83 million -> Prop. 42 loan repayments
 - \$1.259 billion TOTAL in diversions
- Funds \$416 million State Transit Assistance Program (supposed to be \$714 million)
 - Governor line-item vetoed \$100 million
- Insufficient funds for transit capital in STIP / ITIP

2007-08 State Budget: Treatment of Transit Revenue

- Disposition of PTA revenue in Budget Bill:
 - All but \$200 million of spillover (\$626 million) diverted
 - In 2008-09 and permanently thereafter, 50% would be diverted to General Fund
 - \$474 million of “base” revenues diverted
 - \$159 million of reserves diverted
- \$1.259 billion TOTAL diverted

Litigation

- Proposition 116: substantial protection to PTA from diversion for non-transit purposes
 - PTA \$s “only” for “transportation planning and mass transportation purposes”
 - Amendments must be “consistent with” that section
- Home-to-school and regional center / developmentally disabled transportation = **illegal**
- Prop. 116 and Prop. 192 bond debt service (past *and* current) = **illegal**
- Prop. 108 bond debt service legal (current year payments only; reimbursing General Fund for **past payments = illegal**)

Litigation

- Seeking:
 - Writ of mandate: prohibit Controller / Director from making unauthorized transfers of transit funds in 2007-08
 - Injunctive relief: enjoin Controller/Director **permanently** from illegally spending transit funds on non-transit purposes specified in 2007-08 budget
 - Declaratory relief: opine that the permanent 50% diversion of “spillover” to GF is illegal
- Sacramento Superior Court
 - Hearing date: November 30th
 - Petition and Exhibits at www.caltransit.org

Going Forward

- Preferred long-term PTA protection approach:
 - Flow spillover not through PTA but through Proposition 42
 - Don't change underlying Prop. 42 allocation formula of 40% / 40% / 20%
 - Flow spillover on separate formula that attracts city, county, highway and alternative transportation interests and support

Possible Scenario

- Possible spillover allocation formula under Proposition 42:
 - 50% to PTA, for State Transit Assistance
 - 20% to State Transportation Improvement Program (STIP), for transit projects
 - 10% to cities, for complete streets projects
 - 10% to counties, for complete streets projects
 - 10% to PTA, for transit projects in STIP / ITIP
 - Includes Intercity and Regional Rail



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