



Executive Director's Report

January 12, 2009

STATE UPDATE

Governor's Bad News Budget Plan Officially Released: Following the New Year's Eve preview, Friday's official release of the Governor's proposed 2009-10 state budget contained little in the way of surprises – or good news, from a transit funding perspective. As promised, the plan seeks to completely eliminate the State Transit Assistance (STA) Program, the only ongoing source of state funding for day-to-day transit operations. The Administration's latest proposed revision of the current year's budget seeks to cut \$153 million from the \$306 million that was allocated to the STA in the 2008-09 budget that was adopted in September. This is essentially the same amount of STA funding included in the latest budget package passed by the Legislature (which the Governor vetoed on Wednesday). The Controller has already issued \$76 million worth of checks for the 1st quarter of 08-09. Consequently, since no plan on the table contains any more than \$150 million for the STA, only \$74 million would remain for disbursement once the revised Budget Act is signed. In addition, estimated revenues from spillover have dropped to \$1 billion, down from the \$1.4 billion level estimated in the September budget, and are predicted to drop to a total of \$90 million next year due to a steep decline in gas prices. The Governor still proposes to divert all future spillover (if any materializes) to the Mass Transportation Fund to pay for G.O. Bond debt service and home-to-school transportation. Last week's veto of the Democratic-crafted plan passed on December 18 was blamed in part on the Governor's reluctance to confront legal challenges by Republicans and various anti-tax groups (a lawsuit was filed contending that the plan was unconstitutional, but the Court of Appeals rejected the suit because the plan was vetoed). Nevertheless, Democrats continue to fine tune the proposal to address the Governor's desire for relaxation of environmental and labor regulations in the interest of "economic stimulus." Please see [our latest Funding Update](#) for a full analysis of the Governor's proposal, and keep up the pressure on your legislative contingent by urging them to establish sustainable funding for transit operations and to reject the Governor's call to abolish the STA.

ASSOCIATION NEWS AND ACTIVITIES

Joint Committee Retreat to Focus on State Funding Crisis: Executive Committee Chair Michael Burns (General Manager, Santa Clara VTA) has called for a joint "retreat" session of the Association's Executive and Legislative Committees, focused solely on the State budget and transit funding crisis. The gathering will take place Wednesday, January 21, in Sacramento. My hope is to focus on the need for yet another statewide initiative, one that finally puts into place a real, stable and protected revenue stream for public transit. Potential outcomes of this session include substantial revisions to our current tactics, adjustments to current Association programs and realignment of Association resources, and consideration of revising and strengthening dormant tactics, such as launching an initiative. A full agenda packet will be sent to all members of the Executive and Legislative Committees, and to selected CEO's/GM's. Please contact me (josh@caltransit.org) if you have questions.

Association's Lobby Day Set for March 25: All California Transit Association members are invited to join us in Sacramento for our annual Lobby Day. The event presents an opportunity to meet with your legislative representatives to give them a first-hand account of the importance of state funding for public transit. A briefing and orientation session helps bring you up to speed on the latest developments in the Capitol, and will include a primer on our key messaging points and issues of emphasis. We then turn you loose on the Capitol so you can make your case face-to-face. The Sheraton Grand Sacramento Hotel will serve as Lobby Day headquarters. There is a discounted sleeping room rate of \$199 for the evening of March 24. To receive the \$199 rate, call 916-341-3627 to make your reservation by March 3, and ask for the California Transit Association group rate.

Golf Tournament Boosts Lichtanski Scholarship Fund: The tournament held at Rancho Canada Golf Club during our Fall Conference in Monterey raised more than \$13,000 for the Frank J. Lichtanski Scholarship Fund. In all, 74 players and 20 sponsors contributed to the effort. The Lichtanski Scholarship, named for the former head of Monterey-Salinas Transit and recent inductee to the American Public Transportation Association (APTA) Hall of Fame, provides tuition support for candidates from small or medium-size transit agencies for the Eno Transportation Foundation's Center for Transit Leadership Program.



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