



Funding Update | May 12, 2010

URGENT

Appropriation of Additional PTMISEA Funds

Key Legislative staff have informed us that the Senate Budget Subcommittee #2 will be considering an accelerated appropriation to the PTMISEA program during its hearing tomorrow at 9:30 a.m. (or upon adjournment of Session).

The committee is prepared to consider a motion that would appropriate \$1.5 billion to the program. This appropriation level is based upon the total amount that has been requested by agencies for FY 10-11 (\$708 million), FY 11-12 (\$369 million), and FY 12-13 (\$422 million).

As you know, funding for transit capital projects has dried up in recent years with the elimination of the PTA-STIP, unpredictability of STA funding, and stagnation of bond sales that have put PTMISEA allocations on hold. The most recent bond sales conducted by the state in March and April, however, have freed up some capacity and provided the Legislature an opportunity to appropriate funding for a myriad of programs. Association staff has been working diligently with Caltrans to ensure that we are being as accurate as possible with the level of funding that is being requested by eligible recipients of the program.

We respectfully ask that you click [here](#) to review the PTMISEA Master Expenditure Plan Worksheet in order to confirm the accuracy of your organization's estimated PTMISEA funding needs. This document has been submitted to the Caltrans Division of Mass Transportation (DMT), which is responsible for overseeing the program and approving the allocations. Any changes or questions can be directed to Joan Musillani with the Caltrans Division of Mass Transportation, at 916-654-9495 or by email at joan_musillani@dot.ca.gov.

Current Status of the PTMISEA Program

As approved by voters in November of 2006, the PTMISEA program provides \$3.6 billion for transit capital and rolling stock purchases. While the legislature has allocated over \$1.3 billion since FY 07 -08 (\$600 million in FY 07-08, \$350 million in FY 08-09, and \$350 million in FY 09-10), only \$861 million has been allocated by Caltrans. There is a remaining unallocated balance of \$89 million combined for FY 07-

08 and 08-09. None of the FY 09-10 has been allocated yet. As a result, there is currently \$439 million (\$350 + 89) in previously appropriated yet unallocated revenue remaining.

Existing law requires that the FY 07-08 and 08-09 funds be allocated by June 30, 2010. The Department of Finance is expected to address this issue in its April Letter by "resetting the clock" in order to ensure that the \$89 million appropriation can be put to use. Allocations are dispersed by the Controller over two cycles annually. Caltrans is expected to announce the award of \$63.3 million for 111 projects requested under Cycle 2 of FY 08-09. If the legislature appropriates the \$1.5 billion, when combined with the \$350 million FY 09-10 appropriation, \$1.85 billion will be available for allocation pending project approval from Caltrans. Association staff will keep you apprised of any new developments.

**Please contact Gus Khouri, Legislative Advocate,
or Sabrina Means, Legislative and Regulatory Assistant,
at 916-446-4656 if you have any questions.**