

November 14, 2008

The Honorable Don Perata
President pro Tempore, California State Senate

The Honorable Karen Bass
Speaker of the California State Assembly

The Honorable Dave Cogdill
Senate Republican Leader

The Honorable Mike Villines
Assembly Republican Leader

RE: 2008-09 State Budget – Public Transit Supports the Economy & Clean Air

Legislative Leaders:

On behalf of the California Transit Association and its members, and for the Californians who took more than 1.5 billion passenger trips on public transit systems last year, I urge you to **REJECT** the Governor's proposal to make further reductions to the 2008-09 State Transit Assistance (STA) program, and to **REJECT** the Governor's proposal to eliminate the STA program altogether next year.

The STA program provides the only ongoing source of state funding for local public transportation operations. These dollars are vital to public transit systems, and pay for costs like labor, fuel and power; without these flexible dollars, local bus and rail transit systems will have to consider raising fares or cut back on existing transit service. These dollars can also be used to purchase clean fuel vehicles and build new rail systems. And, these dollars have never been more important than right now, as agencies struggle to keep up with the huge demand for services created by the skyrocketing price of gasoline in the last two years. More Californians are riding transit than at any time since World War II. Transit ridership is growing in many of our cities by 20-to-25% in recent months, compared to last year.

Unfortunately, despite these recent transit successes and the obvious and growing need for more transit, **the Governor has proposed to reduce the current year STA program by another \$230 million—a 75% cut to the enacted 2008-09 program.** Not only will this cut disrupt planned transit service on the street, **it represents an end-run around Proposition 42 and Proposition 1A, and it breaks faith with the will of the voters who overwhelmingly enacted these measures.** These propositions ensure that the sales tax on gasoline going to the Public Transportation Account (PTA) is used to fund real transit service on the street; yet, the Governor's proposal would spend this additional \$230 million on bond debt service payments and school bus service, not true public transportation services.

The proposal also flies in the face of the legislature's recent enactment of SB 717 (Perata) [Chapter 733, Statutes of 2007], which dedicated to the STA program 75% of Proposition 42's contribution to the PTA, the very program the Governor would have you eliminate. This law recognized the clear state interest in increasing transit operations funding, not in crippling public transit service.

However, the last two budget cycles move us closer to that dreadful result, diverting the state's historic contribution to transit by \$3 billion, with most of these diversions from scarce operations funds. Ironically, these cuts come at a time when Californians are demanding more and better transit systems, due to high gas prices and the ever-increasing need for mobility and travel alternatives. The state's historic transit funding program, first created in the early 1970's to provide even more funds when high gas prices force many of our citizens out of their cars, is now being dismantled.

California cannot build a 21st century transit system on a 1960's budget!

Although we recognized earlier this year that state-supported transit programs might need to bear some pain during the economic downturn, just as have many other state programs have, in the face of these new cuts we now ask you to consider:

- What other state expenditure that's currently proposed for total elimination also directly supports so many critical state goals, like jobs creation, air quality improvement, and congestion relief?
- What other state expenditure program has already contributed 95% of its available revenue stream over the last two years to closing the General Fund deficit?

The Governor's latest proposed cut to STA comes on top of a **2008-09 budget that already diverts more than \$1.67 billion from the PTA** to non-transit programs. *That's* on top of the **2007-08 diversion of nearly \$1.3 billion from transit** agencies. In fact, in this decade alone, state-supported public transportation programs have absorbed nearly \$5 billion in cuts. These cuts not only adversely impact citizens who need better options to the automobile now more than ever, but reduce good-paying jobs, further slow down the economy, and degrade the environment. Finally, as if that's not enough, the Governor proposes to eliminate the STA program entirely, beginning in 2009-10.

These cuts ignore the fact that spending on transportation infrastructure grows the economy: **Every \$1 invested in public transportation projects and services generates approximately \$6 in local economic activity.**

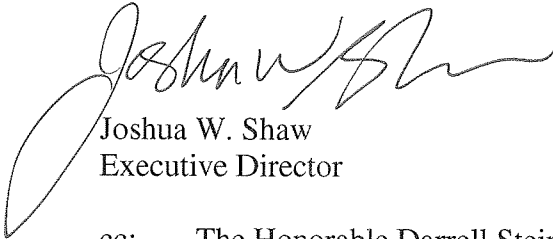
These cuts ignore transit's role in helping the state meet its clean air goals: Better and more frequent transit service attracts more people from their cars, thus reducing vehicle miles traveled and leading to concurrent reductions in greenhouse gas (GHG) emissions. Use of public transportation produces 95 percent less carbon monoxide and about half as much carbon dioxide and nitrogen oxides per passenger mile, compared to private vehicles. Transit use in California also reduces carbon dioxide emissions by nearly 3.6 million metric tons annually. Clearly, **regional and local governments will never meet their GHG emission reduction targets under AB 32 (the Global Warming Solutions Act) and SB 375 (Steinberg) if you further cut or even eliminate state funding for public transit.**

Our members stand ready to partner with you in your endeavor to address the long-term mobility and environmental quality needs of this state. We also want to work with you to find solutions that truly balance the state budget, year over year, so you don't have to rely on borrowing and diversions of dedicated funding from our programs into the General Fund.

In the meantime, we urge you to retain the \$306 million in STA program funds originally set aside in the 2008-09 budget, and to reject the Governor's proposal to eliminate the STA program entirely next year.

We look forward to working with you. Thank you for your consideration.

Sincerely,



Joshua W. Shaw
Executive Director

cc: The Honorable Darrell Steinberg, Senate Pro Tempore-elect
Members of the California State Senate
Members of the California State Assembly
Secretary Dale E. Bonner, Business, Transportation & Housing Agency
Mr. Curt Augustine, Deputy Legislative Secretary, Office of the Governor
Mr. Will Kempton, Director, Department of Transportation
Mr. Michael C. Genest, Director, Department of Finance
Mr. Brian Kelly, Transportation Liaison, Office of Senator Perata
Mr. Brian Annis, Senate Budget & Fiscal Review Committee
Ms. Carrie Cornwell, Chief Consultant, Senate Transportation & Housing Committee
Mr. Art Bauer, Principal Consultant, Senate Transportation & Housing Committee
Mr. Ted Morley, Transportation Consultant, Senate Republican Caucus
Ms. Rocel Bettencourt, Consultant, Senate Republican Fiscal and Policy Office
Mr. Craig Cornett, Office of Speaker Bass
Ms. Erica Martinez, Office of Speaker Bass
Mr. Chris Woods, Chief Consultant, Assembly Budget Committee
Ms. Janet Dawson, Chief Consultant, Assembly Transportation Committee
Mr. Gregson Porteous, Transportation Consultant, Assembly Republican Caucus
Mr. Chris Holtz, Senior Consultant, Assembly Republican Fiscal Office
Mr. Michael Burns, Executive Committee Chair, California Transit Association
Ms. Sharon Cooney, Legislative Committee Chair, California Transit Association
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