



**CALIFORNIA  
TRANSIT  
ASSOCIATION**

1415 L Street, Suite 200 • Sacramento, CA 95814

Phone (916) 446-4656 • FAX (916) 446-4318

E-Mail: [info@caltransit.org](mailto:info@caltransit.org)

[www.caltransit.org](http://www.caltransit.org)

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**CONTACT:** Jeff Wagner,  
Communications Director  
(916) 752-4150

## **Transit Providers Join the Call for Budget Reform** *Association advises panel charged with modernizing state revenue laws*

SACRAMENTO — Urging an end to continued raids on state public transit funding, the California Transit Association has submitted recommendations for establishing a "stable, predictable source of long-term funding" to the Commission on the 21st Century Economy, a panel charged with studying ways of modernizing California's out-of-date revenue laws that have contributed to ongoing feast-or-famine budget cycles.

“The latest budget shell game only reinforced what we have long known to be true – that serious reform of the budget process is long overdue,” said Joshua Shaw, Executive Director of the California Transit Association. “We’re hopeful that the formation of this commission and the work it undertakes can be a vital step in that direction.”

The Association's report calls for the commission to support continuation and strengthening of the transportation funding mechanisms first put into place by the state in 1971 through the Transportation Development Act, to modernize and standardize the existing TDA revenue stream, and to restore stability and predictability to other sources of state transit funding that have been put in place since the TDA was enacted.

The recommendations also urge constitutional protections to strengthen the intent of voters when they passed 1990's Proposition 116, which established the Public Transportation Account as a trust fund whose revenues were dedicated to "transportation planning and mass transportation purposes," and to clarify voters' intent in defining mass transportation purposes as "only those such as state, regional and local bus and rail passenger service open to the general public."

The latter point has been a particular bone of contention given that state budgets since 2007 have continually diverted PTA funds to cover such non-transit programs as home-to-school busing and transport to regional occupational centers, programs previously funded through the General Fund and clearly outside the definition of "public transportation." The raid on PTA funds has totaled \$3 billion in just the last two budget cycles. The latest budget package adopted in February completely

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eliminated all state funding for transit operations, resulting in ongoing service reductions, fare increases and job losses at transit agencies throughout the state.

“Budget crafters have been treating public transit as their personal piggy bank for years without ever doing anything to truly solve the budget crisis. Year after year of massive cuts only got them to the point of deciding that transit’s ‘fair share’ of the burden was to accept a complete elimination of funding,” said Shaw. “That’s in blatant defiance of what voters have demanded, and a complete contradiction of common sense 21<sup>st</sup> century planning.”

The Commission on the 21st Century Economy was created through an Executive Order issued in December, 2008 by Gov. Arnold Schwarzenegger to suggest changes to state and local revenues that will result in a revenue stream that is more stable and reflective of the California economy. The Commission will report its findings to the Governor and legislature on or before July 31, 2009.

[Click here](#) to read the full recommendation from the California Transit Association.

[Click here](#) to learn more about the Commission on the 21st Century Economy.

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