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Transit providers brace for more funding raids
Further cuts contradict ridership trends, voters and lawmakers themselves

MONTEREY, Calif. – Transit advocates praised the call by Gov. Schwarzenegger and legislative leaders for formation of a bi-partisan commission to reform California’s antiquated revenue system, but cautioned against further cuts to public transportation that could arise through a Special Legislative Session convening this week to rework the 2008-09 state budget plan.

While members of the California Transit Association are gathered this week in Monterey for their annual Fall Conference and Expo, for many the focus is still on Sacramento, where the governor has summoned legislators back to the Capitol to begin re-crafting the state spending plan that was adopted just six weeks ago and is already estimated to be as much as \$10 billion out of balance.

“We applaud the bi-partisan effort to re-examine state revenues and expenses,” said Joshua W. Shaw, Executive Director of the Association. “The gimmick-laden budget adopted in September is already out of whack, and just shows once again that we’re long overdue for serious, substantive reform of the budget process. The commission is a great idea, and we’re hopeful that it can take big steps toward that needed reform; however, we’re also hoping the announcement of this commission doesn’t mask the governor’s call for even more gimmicks disguised as ‘solutions,’ such as his proposal to cut public transit even more.”

The existing budget already diverts \$1.7 billion from the Public Transportation Account (PTA) to cover other, non-transit shortfalls. A series of voter-approved constitutional provisions – from 1990's Proposition 116 through Proposition 1A of 2006 – established the PTA as a trust fund and require that PTA revenues must be spent on "mass transportation purposes." But budget crafters have repeatedly circumvented the requirement, bringing the total siphoned from the PTA this decade to more than \$5 billion. That means transit agencies are putting fewer buses on the street, just as more people need alternatives to high gas prices.

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The Administration's revised budget proposal released today includes diverting another \$230 million in State Transit Assistance (STA) program revenues, which accrue primarily from a portion of the sales tax on gasoline. Under provisions of the September budget, the account contains a \$215 million contribution from Proposition 42 funds. The net result of the governor's newest proposal is a 75 percent reduction in funding for public transportation operations compared to the budget plan adopted in September.

In addition, the new plan would result in the elimination of STA payments for the remainder of the 2008-09 fiscal year.

The governor's proposed increase of the state sales tax rate from 5 percent to 6½ percent would generate \$626 million in transportation revenues, of which 20 percent (approximately \$125 million) would be allocated to public transit.

Skyrocketing gas prices that earlier this year approached \$5 a gallon sparked record-breaking increases in transit ridership across the nation. While fuel prices have stabilized, transit ridership continues to grow. "We've maintained throughout this process that, just when transit providers are seeing unprecedented demand for their services, the short-sighted priorities reflected in the latest state budgets are putting those services in jeopardy," said Shaw. "It contradicts what people are demanding in their day-to-day lives, and it's in blatant defiance of what people have repeatedly demanded with their votes."

Transit advocates note the further contradiction inherent in actions by the governor and the legislature to repeatedly raid transit funding while simultaneously reveling in the adoption of landmark legislation in recent years to curb greenhouse gas emissions and promote smart growth planning. Shaw praised the lofty goals of such measures as AB 32, the California Global Warming Solutions Act of 2006, and 2008's SB 375, which creates incentives for housing and transportation planning decisions that seek to reduce fossil fuel consumption and vehicle miles traveled. But he warned that such goals are unattainable without adequate funding for increased public transit service.

"It should be obvious to everyone that public transit is a vital component of any comprehensive package of global warming solutions. Fully 40 percent of greenhouse gas emissions in California come from the automobile fleet, so we've got to pursue a number of new strategies, including moving a lot more people into clean-fueled transit vehicles to meet these goals," said Shaw. "For transit to fulfill its role, it is imperative that full transit funding be restored,"

"We applaud the foresight of the legislature in adopting these measures," he added, "but 21st Century planning requires 21st Century priorities. While we support the aims of these measures, the lack of an accompanying commitment to adequately fund public transit will render them little more than utopian pipedreams."

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