



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 4c

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*Memorandum*

TO: Legislation Committee

DATE: June 6, 2008

FR: Executive Director

RE: FY 2007-08 State Budget Update

As discussed at the May Commission meeting, the Administration's May Revise of the FY 2008-09 state budget proposal shifted \$1.4 billion in public transit funds to the General Fund.

**Assembly Budget Action**

Since that time, the Assembly Budget Subcommittee #5 acted to reinstate about \$318 million of the State Transit Assistance Program funds originally proposed to be cut by the Governor. That would bring the 2008-09 STA Program up to \$623.7 million. Language was also adopted stating legislative intent to maintain that level of funding on an ongoing basis. The Assembly subcommittee, however, did not restore any funding to the transit capital program managed as part of the State Transportation Improvement Program (STIP).

**Senate Budget Action**

The Senate Budget Subcommittee #4 also took action to restoring \$317 million back to the Public Transportation Account (PTA) to match the funding level in the Assembly.

The Senate, however, chose a different course and restored the State Transit Assistance (STA) Program to \$494 million (an amount minus \$129 million, as compared to the Assembly action that included \$623.7 of STA funds). The \$129 million was dedicated to transit capital projects in the STIP. Neither the Governor nor the Assembly proposed any funds for transit capital STIP projects in this year's budget.

Even if the Assembly and Senate numbers hold, transit accounts are still on track to suffer a \$1.1 billion diversion of transit funds to the General Fund. Attached are details of the competing proposals.

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Ann Flemer

Attachment

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