

From: Rebecca Long
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Date: 09/24/08 2:45:16 PM
Subject: State Budget - Bay Area Transportation Impact

On September 23, 2008 Governor Schwarzenegger signed the latest budget in the state's history. At 85 days late, the budget was a disappointment to those who hoped for a long-term fix to the state's structural deficit. Unfortunately, next year's budget is already anticipated to be at least as challenging as this year's.

First the good news: Proposition 42 was not suspended. Given the huge cutbacks in many state programs, this is quite remarkable and can be credited to Proposition 1A, passed in November 2006 which requires any suspension of Proposition 42 to be repaid with interest within three years. Both the Legislature and the Administration sought to avoid actions that would make matters considerably worse in future years. Proposition 42, funded by a portion of the sales tax on gasoline is estimated to provide \$1.43 billion statewide this year. Bay Area cities and counties will receive approximately \$100 million for local street and road repairs from Proposition 42. A complete breakdown of the streets and roads portion is attached. Please note that these amounts are estimates based on the best available information that we have at this time.

In addition, a related budget trailer bill codified an agreement over the formula distribution of \$1 billion in State Local Partnership Program funds made available by the Proposition 1B infrastructure bond. In our region, BART, AC Transit, the Bay Area Toll Authority, and the seven sales tax counties are expected to receive just under \$270 million from this program designed to reward voter-approved self-help measures. In total, almost \$4.3 billion of Prop. 1B bond funds were allocated in the budget, including the first allocation of \$200 billion for State Local Partnership and \$413 billion for Trade Corridor projects. The details on the budget's Proposition 1B and Proposition 1C (housing bond - transit related accounts) amounts are attached as well.

Now, the bad news. Public transit funds were diverted at unprecedented levels. While last year's budget set the record with \$1.3 billion in Public Transportation Account (PTA) funds diverted, this year the total was even higher at \$1.67 billion. The diversion is primarily due to record gasoline prices that drove up the Spillover – a calculation that is triggered when gasoline prices grow at a faster rate than the overall economy. The final estimate of the spillover for FY 2008-09 is \$1.43 billion. Whereas the law previously required all spillover funds to be deposited in the PTA for transit purposes, last year the Legislature modified the law to allow 50 percent of spillover funds to be diverted to the General Fund for transit-related expenditures, including school buses and debt service on transportation bonds. However, this year 100 percent of spillover funds were

diverted to General Fund purposes, along with another \$239 million in what is referred to as "base" PTA funding. The final diversions were as follows: \$857 million to the General Fund for transportation related G.O. bond debt, \$589 million to the General Fund for Home-to-School transportation, \$138 million to the Department of Developmental Services for regional center transportation and \$83 million to reimburse the General Fund for repayment of a prior loan from Proposition 42 transit funds to the General Fund.

What this means for transit's bottom line is that State Transit Assistance was reduced from \$558 million in the budget conference committee report to \$306 million, slightly below the current year's level. For the Bay Area, this will provide \$81 million in revenue-based STA funds and \$29 million in population based funds. The final amount of population based funds will be \$31 million, pursuant to Resolution 3814. The STA spreadsheet attached shows the revenue-based funds in terms of the amount that should have been provided under current law, relative to the final budget, as well as the amount that was proposed in the January budget (and used for MTC's fund estimate) relative to the final budget. Regionwide, we lost \$238 million in STA funds relative to current law - more than double what we received. On a statewide basis, the STA loss is \$663 million. Greater protection of STA funds is a priority for MTC as we begin to develop our legislative program for next year.

Feel free to contact me with any questions.

Rebecca

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FY 2008-09 FINAL BUDGET	STA/PTA Base	Proposition 42	Spillover	Cumulative Total Owed	Final Budget	Total Loss
STATEWIDE REVENUE	\$ 558,000,000	\$ 1,430,000,000	\$ 1,427,000,000	\$ 3,415,000,000	--	
Amount due STA by current law	\$ 279,000,000	\$ 214,500,000	\$ 475,666,667	\$ 969,166,667	--	
Statewide STA Diversion	\$ (187,500,000)	\$ -	\$ (475,666,667)	\$ (663,166,667)	--	
Final STA Amount	\$ 91,500,000	\$ 214,500,000	\$ -	\$ -	\$ 306,000,000	\$ (663,166,667)
	A	B	C	D		G
STATE TRANSIT ASSISTANCE REVENUE BASED	Base Revenue Owed	Prop 42 Increment Owed	Spillover Owed	Cumulative Total Owed	Final Budget*	Total Loss
APPORTIONMENT JURISDICTION ²	\$ 74,001,433	\$ 56,893,575	\$ 126,164,929	\$ 257,059,937	\$ 81,162,862	\$ (175,897,075)
AC Transit	\$ 6,566,282	\$ 5,048,271	\$ 11,194,844	\$ 22,809,397	\$ 7,201,729	\$ (15,607,668)
ACE	\$ 337,897	\$ 259,781	\$ 576,079	\$ 1,173,757	\$ 370,596	\$ (803,160)
BART	\$ 17,935,639	\$ 13,789,228	\$ 30,578,443	\$ 62,303,309	\$ 19,671,346	\$ (42,631,963)
Benicia	\$ 14,054	\$ 10,805	\$ 23,961	\$ 48,821	\$ 15,415	\$ (33,406)
Caltrain	\$ 3,413,797	\$ 2,624,586	\$ 5,820,177	\$ 11,858,560	\$ 3,744,164	\$ (8,114,395)
Central Contra Costa Transit Authority (County Connection)	\$ 443,428	\$ 340,915	\$ 755,999	\$ 1,540,341	\$ 486,340	\$ (1,054,001)
Dixon	\$ 3,730	\$ 2,868	\$ 6,360	\$ 12,958	\$ 4,091	\$ (8,867)
Eastern Contra Costa Transit Authority (TriDelta)	\$ 196,181	\$ 150,827	\$ 334,469	\$ 681,477	\$ 215,166	\$ (466,311)
Fairfield	\$ 74,362	\$ 57,171	\$ 126,780	\$ 258,314	\$ 81,559	\$ (176,755)
Golden Gate Bridge, Highway and Transit District	\$ 2,726,836	\$ 2,096,439	\$ 4,648,979	\$ 9,472,254	\$ 2,990,724	\$ (6,481,530)
Healdsburg	\$ 875	\$ 673	\$ 1,492	\$ 3,040	\$ 960	\$ (2,080)
Livermore-Amador Transit (LAVTA)	\$ 157,646	\$ 121,201	\$ 268,770	\$ 547,616	\$ 172,902	\$ (374,715)
Napa Transit Services	\$ 33,066	\$ 25,421	\$ 56,373	\$ 114,860	\$ 36,265	\$ (78,595)
SamTrans	\$ 3,940,080	\$ 3,029,202	\$ 6,717,437	\$ 13,686,719	\$ 4,321,378	\$ (9,365,340)
San Francisco MTA	\$ 26,072,226	\$ 20,044,776	\$ 44,450,498	\$ 90,567,500	\$ 28,595,345	\$ (61,972,155)
Santa Rosa	\$ 107,782	\$ 82,865	\$ 183,757	\$ 374,404	\$ 118,212	\$ (256,191)
Sonoma County Transit	\$ 121,121	\$ 93,120	\$ 206,500	\$ 420,741	\$ 132,843	\$ (287,899)
Union City	\$ 34,190	\$ 26,286	\$ 58,291	\$ 118,767	\$ 37,499	\$ (81,268)
Vallejo	\$ 506,000	\$ 389,021	\$ 862,678	\$ 1,757,700	\$ 554,968	\$ (1,202,732)
Valley Transportation Authority	\$ 11,102,497	\$ 8,535,791	\$ 18,928,630	\$ 38,566,917	\$ 12,176,932	\$ (26,389,985)
Western Contra Costa Transit Authority (WestCAT)	\$ 213,744	\$ 164,330	\$ 364,412	\$ 742,485	\$ 234,429	\$ (508,057)
REVENUE BASED AMOUNT	\$ 74,001,433	\$ 56,893,575	\$ 126,164,929	\$ 257,059,937	\$ 81,162,862	\$ (175,897,075)
POPULATION BASED AMOUNT*	\$ 26,732,962	\$ 20,552,761	\$ 45,576,985	\$ 92,862,707	\$ 30,800,022	\$ (62,062,685)
BAY AREA STA TOTAL	\$ 100,734,395	\$ 77,446,336	\$ 171,741,914	\$ 349,922,644	\$ 111,962,885	\$ (237,959,760)

Notes:

Shares are based on final FY 2007-08 factors

* Population amount includes \$1,480,000 in Resolution 3814 Augmentation Funding

STATE TRANSIT ASSISTANCE JANUARY VS. FINAL BUDGET TOTALS

Statewide Funding = \$306 Million

REVENUE-BASED FUNDING Apportionment Jurisdictions	January Budget Proposal/MTC Fund Estimate				Final Budget			Total Change
	Base Revenue	Prop 42 Increment	Spillover	Total	Final Base Revenue	Final Prop 42 Increment	Final Total	
Alameda CMA - Corresponding to ACE	105,047	107,822	146,646	359,514	46,173	108,242	154,415	(205,100)
Benicia	7,657	7,859	10,689	26,206	4,609	10,805	15,415	(10,792)
Caltrain	2,473,854	2,539,202	3,453,526	8,466,582	1,119,579	2,624,586	3,744,164	(4,722,418)
CCCTA	301,529	309,494	420,937	1,031,960	145,425	340,915	486,340	(545,620)
Dixon	2,465	2,530	3,440	8,435	1,223	2,868	4,091	(4,343)
ECCTA	110,178	113,088	153,809	377,075	64,339	150,827	215,166	(161,908)
Fairfield	41,772	42,876	58,315	142,963	24,388	57,171	81,559	(61,404)
GGBHTD	2,054,121	2,108,381	2,867,575	7,030,078	894,285	2,096,439	2,990,724	(4,039,354)
Healdsburg	666	684	930	2,280	287	673	960	(1,320)
LAVTA	95,941	98,475	133,934	328,351	51,701	121,201	172,902	(155,449)
NCPTA	25,905	26,589	36,163	88,657	10,844	25,421	36,265	(52,392)
SamTrans	3,008,130	3,087,590	4,199,380	10,295,101	1,292,177	3,029,202	4,321,378	(5,973,722)
Santa Rosa	69,838	71,683	97,495	239,016	35,348	82,865	118,212	(120,804)
Sonoma County Transit	92,065	94,497	128,524	315,085	39,723	93,120	132,843	(182,242)
Union City	24,698	25,350	34,479	84,527	11,213	26,286	37,499	(47,028)
Vallejo	373,755	383,628	521,766	1,279,150	165,946	389,021	554,968	(724,182)
VTA	9,081,075	9,320,954	12,677,275	31,079,304	3,641,141	8,535,791	12,176,932	(18,902,372)
VTA - Corresponding to ACE	147,065	150,950	205,304	503,318	64,643	151,539	216,181	(287,137)
WestCAT	149,464	153,412	208,653	511,530	70,099	164,330	234,429	(277,101)
Petaluma	-	-	-	-	-	-	-	-
Rio Vista	-	-	-	-	-	-	-	-
SUBTOTAL	18,165,225	18,645,064	25,358,843	62,169,131	7,683,142	18,011,301	25,694,443	(36,474,688)
AC Transit	5,346,534	5,487,764	7,463,817	18,298,115	2,153,458	5,048,271	7,201,729	(11,096,386)
BART	14,042,067	14,412,992	19,602,872	48,057,932	5,882,118	13,789,228	19,671,346	(28,386,586)
SFMTA	18,295,831	18,779,120	25,541,170	62,616,120	8,550,569	20,044,776	28,595,345	(34,020,775)
SUBTOTAL	37,684,432	38,679,876	52,607,859	128,972,167	16,586,145	38,882,274	55,468,419	(73,503,747)
REVENUE BASED GRAND TOTAL	55,849,657	57,324,940	77,966,701	191,141,298	24,269,287	56,893,575	81,162,862	(109,978,435)
POPULATION BASED GRAND TOTAL*				72,666,675			30,800,022	(41,866,652)
GRAND TOTAL STA FUNDING	55,849,657	57,324,940	77,966,701	263,807,973	24,269,287	56,893,575	111,962,885	(151,845,088)

* Includes \$1,480,000 in Resolution 3814 Augmentation Funding

STATE TRANSIT ASSISTANCE JANUARY VS. FINAL BUDGET TOTALS

Statewide Funding = \$306 Million

POPULATION-BASED FUNDING Apportionment Jurisdictions	January Budget Proposal/ MTC Fund Estimate			Final Budget*	Change
	Revenue Estimate	Spillover Transfer	Total Revenue	Total Revenue	
Northern Counties/Small Operators					
Marin	1,313,248	149,116	1,462,364	927,079	(535,284)
Napa	697,553	79,205	776,758	492,433	(284,325)
Solano ⁷	2,179,442	247,469	2,426,912	1,538,564	(888,348)
Sonoma	2,462,149	279,570	2,741,719	1,738,139	(1,003,580)
CCCTA	2,527,384	286,977	2,814,361	1,784,191	(1,030,170)
ECCTA	1,462,280	166,038	1,628,317	1,032,287	(596,030)
LAVTA	1,007,004	114,342	1,121,347	710,888	(410,458)
Union City	370,943	42,120	413,062	261,865	(151,198)
WestCAT	353,897	40,184	394,081	249,831	(144,250)
SUBTOTAL	12,373,900	1,405,021	13,778,921	8,735,278	(5,043,644)
Regional Paratransit					
Alameda	1,583,301		1,583,301	1,117,722	(465,580)
Contra Costa	818,213		818,213	577,613	(240,601)
Marin	182,797		182,797	129,044	(53,753)
Napa	119,374		119,374	84,271	(35,103)
San Francisco	1,250,058		1,250,058	882,471	(367,587)
San Mateo	692,161		692,161	488,627	(203,534)
Santa Clara	1,434,083		1,434,083	1,012,382	(421,701)
Solano	340,527		340,527	240,393	(100,134)
Sonoma	378,603		378,603	267,273	(111,331)
SUBTOTAL	6,799,119	-	6,799,119	4,799,796	(1,999,323)
Lifeline					
Alameda	3,490,302	1,283,253	4,773,554	2,463,957	(2,309,598)
Contra Costa	1,592,291	585,426	2,177,716	1,124,068	(1,053,649)
Marin	343,935	126,452	470,387	242,799	(227,588)
Napa	216,552	79,618	296,169	152,873	(143,296)
San Francisco	1,923,487	707,194	2,630,681	1,357,874	(1,272,807)
San Mateo	904,421	332,522	1,236,943	638,471	(598,472)
Santa Clara	2,764,217	1,016,299	3,780,516	1,951,382	(1,829,134)
Solano	700,608	257,587	958,195	494,590	(463,605)
Sonoma	802,515	295,054	1,097,569	566,530	(531,039)
SUBTOTAL	12,738,327	4,683,404	17,421,731	8,992,542	(8,429,188)
BART to Warm Springs	-	1,405,021	1,405,021	-	(1,405,021)
eBART	-	1,405,021	1,405,021	-	(1,405,021)
SamTrans	-	20,138,638	20,138,638	-	(20,138,638)
MTC Regional Coordination Program	11,718,222	-	11,718,222	8,272,406	(3,445,816)
POPULATION BASED GRAND TOTAL*	43,629,568	29,037,107	72,666,675	30,800,022	(41,866,652)

* Final budget amount includes \$1,480,000 in Resolution 3814 Augmentation Funding

**ESTIMATE OF FY 2008-09 PROPOSITION 42
STREET AND ROADS FUNDING**

<i>Dollars in Thousands</i>	Proposition 42
STATEWIDE PROPOSITION 42 STREETS & ROAD	\$ 572,000
BAY AREA SHARE (EST.)	\$ 100,416
DISTRIBUTIONS TO COUNTIES	\$ 41,444
DISTRIBUTIONS TO CITIES	\$ 58,972
TOTAL DISTRIBUTIONS TO COUNTIES & JURISDICTIONS	
Alameda	\$19,740
Contra Costa	\$13,786
Marin	\$3,686
Napa	\$2,476
San Francisco	\$11,471
San Mateo	\$10,223
Santa Clara	\$24,427
Solano	\$6,664
Sonoma	\$7,945
Region	\$100,416
DISTRIBUTIONS TO COUNTIES	
Alameda	7,139
Contra Costa	5,873
Marin	1,991
Napa	1,503
San Francisco	3,958
San Mateo	4,164
Santa Clara	8,869
Solano	2,993
Sonoma	4,953
Region	41,444
DISTRIBUTIONS TO THE CITIES	
ALAMEDA	
ALAMEDA	684
ALBANY	152
BERKELEY	967
DUBLIN	397
EMERYVILLE	83
FREMONT	1,924
HAYWARD	1,344
LIVERMORE	753
NEWARK	397
OAKLAND	3,777
PIEDMONT	100
PLEASANTON	625
SAN LEANDRO	740
UNION CITY	657
COUNTY TOTAL	12,601
CONTRA COSTA	
ANTIOCH	908
BRENTWOOD	443
CLAYTON	98
CONCORD	1,120
DANVILLE	387
EL CERRITO	210
HERCULES	217

LAFAYETTE	217
MARTINEZ	328
MORAGA	147
OAKLEY	289
ORINDA	159
PINOLE	174
PITTSBURG	571
PLEASANT HILL	300
RICHMOND	942
SAN PABLO	281
SAN RAMON	526
WALNUT CREEK	593
COUNTY TOTAL	7,912
MARIN	
BELVEDERE	20
CORTE MADERA	86
FAIRFAX	67
LARKSPUR	110
MILL VALLEY	125
NOVATO	476
ROSS	22
SAN ANSELMO	114
SAN RAFAEL	527
SAUSALITO	68
TIBURON	81
COUNTY TOTAL	1,694
NAPA	
AMERICAN CANYON	145
CALISTOGA	48
NAPA	695
ST HELENA	54
YOUNTVILLE	30
COUNTY TOTAL	972
SAN FRANCISCO	
SAN FRANCISCO	7,512
COUNTY TOTAL	7,512
SAN MATEO	
ATHERTON	67
BELMONT	235
BRISBANE	34
BURLINGAME	260
COLMA	14
DALY CITY	963
EAST PALO ALTO	296
FOSTER CITY	275
HALF MOON BAY	117
HILLSBOROUGH	101
MENLO PARK	283
MILLBRAE	190
PACIFICA	356
PORTOLA VALLEY	42
REDWOOD CITY	699
SAN BRUNO	382
SAN CARLOS	260
SAN MATEO	866
SOUTH SAN FRANCISCO	568
WOODSIDE	50
COUNTY TOTAL	6,059

SANTA CLARA	
CAMPBELL	362
CUPERTINO	502
GILROY	452
LOS ALTOS	256
LOS ALTOS HILLS	78
LOS GATOS	268
MILPITAS	606
MONTE SERENO	32
MORGAN HILL	349
MOUNTAIN VIEW	666
PALO ALTO	570
SAN JOSE	8,858
SANTA CLARA	1,039
SARATOGA	286
SUNNYVALE	1,235
COUNTY TOTAL	15,557
SOLANO	
BENICIA	253
DIXON	160
FAIRFIELD	956
RIO VISTA	71
SUISUN CITY	254
VACAVILLE	876
VALLEJO	1,101
COUNTY TOTAL	3,671
SONOMA	
CLOVERDALE	77
COTATI	68
HEALDSBURG	106
PETALUMA	517
ROHNERT PARK	390
SANTA ROSA	1,433
SEBASTOPOL	70
SONOMA	90
WINDSOR	240
COUNTY TOTAL	2,992
BAY AREA COUNTY TOTAL	\$58,972

Streets and Roads Funding Distribution Formula:

50% to counties of which 75% based on Vehicle Registration

-of which 75% based on vehicle registration

25% based on county roads

50% to cities based on population

Note: Estimates are based on 2008 population figures from the Department of Finance, and vehicle registration statistics from the State Controller, April 2007

State Local Partnership Program - As Adopted in FY 2008-09 Trailer Bill

Agency	Total Prop 1B Amount*	FY 2008-09
Developer Fee Setaside	\$ 50,000,000	\$ 10,000,000
San Francisco Bay Area		
BART	\$ 12,530,245	\$ 2,506,049
AC Transit	\$ 19,317,462	\$ 3,863,492
RM1 & RM2 Bridge Tolls (BATA)	\$ 65,940,416	\$ 13,188,083
Alameda County Transportation Improvement Authority	\$ 39,304,861	\$ 7,860,972
Contra Costa Transportation Authority	\$ 26,789,307	\$ 5,357,861
Marin County Transportation Authority	\$ 6,556,907	\$ 1,311,381
San Francisco County Transportation Authority	\$ 21,003,137	\$ 4,200,627
San Mateo County Transit District	\$ 18,836,504	\$ 3,767,301
Santa Clara County Valley Transportation Authority	\$ 46,795,837	\$ 9,359,167
Sonoma County Transportation Authority	\$ 12,340,911	\$ 2,468,182
Bay Area total	\$ 269,415,587	\$ 53,883,117
Other Northern Counties		
Fresno County Transportation Authority	\$ 23,717,872	\$ 4,743,574
Madera County Transportation Commission (estimate)	\$ 3,843,547	\$ 768,709
Sacramento Transportation Authority	\$ 36,284,143	\$ 7,256,829
San Joaquin County Transportation Authority	\$ 17,465,827	\$ 3,493,165
Santa Cruz Metropolitan Transit District	\$ 6,789,042	\$ 1,357,808
Other North Total	\$ 88,100,431	\$ 17,620,086
South		
Imperial County Local Transportation Authority	\$ 4,784,243	\$ 956,849
Los Angeles County Transportation Commission	\$ 281,469,903	\$ 56,293,980
Orange County Local Transportation Authority	\$ 84,769,484	\$ 16,953,897
Riverside County Transportation Commission	\$ 56,716,354	\$ 11,343,271
San Bernardino County Transportation Authority	\$ 55,832,172	\$ 11,166,434
San Diego County Regional Transportation Commission	\$ 85,449,079	\$ 17,089,816
Santa Barbara County Local Transportation Authority	\$ 11,641,763	\$ 2,328,353
Tulare County (estimate)	\$ 11,820,984	\$ 2,364,197
South Total	\$ 592,483,981	\$ 118,496,796
Grand Total	\$ 1,000,000,000	\$ 199,999,999

Assumptions: Based on FY2006-07 Board of Equalization data for sales taxes and January 2007 DOF population data.

* Note: Final amount may be lower depending on new taxes or fees approved and to reflect CTC administrative costs, allowable up to 3 percent.

Proposition 1B & 1C Appropriations in FY 2008-09

Proposition 1B	
Air Quality (Port-Related)	\$ -
Corridor Mobility Improvement Account	\$ 1,532
Highway 99	\$ 99
Highway-Railroad Crossing Safety	\$ 63
Intercity Rail	\$ 71
Local Bridge Seismic	\$ 21
Local Streets and Roads	\$ 250
Port Security	\$ 57
Public Transportation Modernization, Improvement & Service Enhancement Account	\$ 350
School Bus Retrofit	\$ -
State Highway Operation and Protection Program	\$ 194
State Local Partnership Program	\$ 200
State Transportation Improvement Program	\$ 940
Transit Security	\$ 100
Trade Corridor Improvement Program	\$ 413
Proposition 1C	
Regional Planning, Housing and Infill Incentives	\$ 200
Transit Oriented Development	\$ 95
Total	\$ 4,585

Source: Assembly Bill AB 1781 (Budget Act)

Note: Amounts do not include support costs

California Department of Transportation Summary of the 2008-09 Enacted Budget

The 2008-09 Budget authorizes \$13.7 billion in expenditures for the Department of Transportation (Department). This is a \$548 million decrease from the revised 2007-08 Budget, and is attributable to both the advancing of bond capacity from 2008-09 to 2007-08, as well as a reduction of expenditures in 2008-09 due to lower revenue projections.

Changes in Budget Category (millions)					
Category	CY Adjusted 2007-08	BY Enacted 2008-09	Year to Year Change		
			▲	\$ Change	% Change
State Operations	\$4,188	\$4,409	▲	\$221	5%*
Capital Outlay	\$7,038	\$6,391	▼	-\$647	-9%
Local Assistance	\$3,068	\$2,946	▼	-\$122	-4%
Total	\$14,294	\$13,746	▼	-\$548	-4%
Personnel Years (PY)	22,282	22,278	▼	-4	0.0%

* Increase due to additional GARVEE debt service on GARVEE funded SHOPP projects.

Budget Highlights:

Proposition 42

- The Budget fully funds the 2008-09 Proposition 42 transfer of \$1.43 billion, which provides funding for the State Transportation Improvement Program (STIP), local streets and roads, and the Public Transportation Account (PTA). The budget also includes the Proposition 1A annual loan repayment of \$83 million to the Traffic Congestion Relief Fund (TCRF) for the outstanding balance of previously suspended Proposition 42 transfers.

Proposition 1B Bonds

- The Budget includes \$4.0 billion in Proposition 1B appropriations, \$3.6 billion in Department administered appropriations. The 2008-09 Budget also includes first-time funding for the Trade Corridors Improvement Fund (TCIF) and State-Local Partnership Program (SLPP).

Public Transportation Account (PTA), State Transit Assistance (STA)

- The Budget authorizes the PTA to fund \$138 million for the Department of Developmental Services Regional Center Transportation Program, and \$593 million for K-12 Home-to-School transportation. It also amends current law to fund the 2008-09 STA at \$306 million. The budget also includes a short-term loan from the TCRF to the PTA of \$60 million.

SHOPP: Impact of Gas Excise Tax Revenues and Tribal Gaming Funds

- Total funding for the State Highway Operations and Protection Program (SHOPP) was decreased by \$100 million from the Governor's Budget. This is due to lower projections of excise tax revenues from declining fuel consumption, which will result in lower future allocation capacity.

Transportation Loans

- The budget includes various loans from transportation accounts totaling \$231 million. These loans will not impact project delivery. Funds will be available as needed to meet project commitments.

Project Delivery and Maintenance Staffing

- The Department's budget for Capital Outlay Support staffing is \$1.825 billion, reflecting a decrease of \$26 million from the Governor's Budget. Eighty-nine percent of this decrease will be in state staff and 11 percent will be contract positions. The Department is expecting a slight increase of 11 positions and \$39 million in the Maintenance Program in the proposed 2008-09 budget.

DEPARTMENT OF TRANSPORTATION

2008-09 Allocation Capacity By Fund and Program (\$ millions)						
Fund	SHOPP	STIP	TCRP	Other (Bonds)	Total	
SHA	\$1,200	\$65	\$0	\$0	\$1,265	
PTA	0	50	0	0	\$50	
TIF	0	225	0	0	\$225	
TCRF	0	0	110	0	\$110	
Bonds	86	1,008	0	3,022	\$4,116	
GARVEE Allocations	114	0	0	0	\$114	
Total Capacity	\$1,400	\$1,348	\$110	\$3,022	\$5,880	

Based on the 2008-09 Budget Act, the Department recommends a total 2008-09 Allocation Capacity of \$5.880 billion. This total includes \$4.230 billion or 72 percent of capacity from Proposition 1B bonds and GARVEE allocations.