



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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## *Memorandum*

TO: Partnership Technical Advisory Committee

DATE: December 15, 2008

FR: Therese Knudsen

W. I.

RE: Lifeline Transportation Program Update

### Background

In July, MTC released the second-cycle Lifeline funding program, totaling \$74.7 million over three years. The funding sources making up the Lifeline Program include State Transit Assistance (STA), Proposition 1B Transit funds and federal Job Access Reverse Commute funds. Lifeline Program Administrators (LPA) at the county level released calls for projects this summer. Because the three-year Lifeline Program included both FY 09 and FY10 STA and Proposition 1B estimates, LPAs had an option of programming their Lifeline funding all at once or in two tiers, with projects in Tier 1 due to MTC by November 30, 2008. The deadline for all Lifeline funds to be programmed is September 30, 2009.

When the state budget passed in September, STA and Spillover losses impacted the Tier 1 Lifeline Program by approximately \$8.5 million, reducing the 3-year overall total Lifeline Program to \$66.2 million.

While the Proposition 1B transit account was not impacted by the state budget, in October when Caltrans and the State Controllers Office issued final FY 2009 Proposition 1B guidelines, a schedule and funding amounts, there was a slight reduction reflecting approximately 2% that Caltrans took for interest and bond administration fees. Therefore, the Tier 1 Proposition 1B Lifeline amount was reduced by \$374,789. LPA's were made aware of the changes in STA and Proposition 1B funding and were directed to adjust their programs accordingly.

### Next Steps/Schedule

As you are aware, there is a threat that the STA account will again be significantly reduced as shown in the Governor's budget proposal to address the state's current budget crisis. Until the budget negotiations are finalized, the impact on the Lifeline Program is unknown. Therefore, MTC recommended that LPAs submit their selected program of projects by November 30. MTC plans to take the overall program of projects to the Commission for approval in January.

When a state budget decision is made, if there are additional cuts, MTC will look to the LPAs to advise how to restructure the program of projects. If this decision is not made by January, staff will assess whether to wait or take a partial program of projects (excluding STA-funded projects) to the Commission at that time.

I will be happy to answer any questions at your December meeting.