



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3b

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Memorandum

TO: Legislation Committee

DATE: Jan. 2, 2009

FR: Executive Director

RE: AB 672 (Bass) & AB 1072 (Eng)

Description

These bills would help keep state bond-funded projects on schedule in two important ways. AB 672 (Bass), as proposed to be amended, would provide a local agency that uses its own funds to advance a Proposition 1B project, or a project funded from the November 2008 High Speed Rail bond (Proposition 1A), will be eligible for repayment at a future, albeit unspecified, date. AB 1072 (Eng) makes permanent the years used to determine each transit operator's share of Public Transportation Modernization, and Improvement, Service Account (PTMISEA) so that operators can know with certainty how much funding they can expect from this source.

Recommendation: AB 672 (Bass) – Sponsor/Support in Concept
AB 1072 (Eng) – Support

Discussion

As proposed to be amended, AB 672 would enable local or regional agencies to keep Proposition 1B and High Speed Rail bond projects advancing on schedule with local funds by making such expenditures eligible for state reimbursement. While the Legislature recently enacted AB 3x 20 (Bass) to provide that a local or regional agency will be repaid for using ARRA funds, or local funds in combination with ARRA funds, to advance a Proposition 1B project, the legislation is limited in three ways: 1) it only applies to projects administered by the California Transportation Commission (CTC), and therefore excludes PTMISEA funds as well as high-speed rail connectivity funds; and 2) it only applies to ARRA funds, or local funds used in combination with ARRA funds; and 3) it limits repayment of ARRA funds only to the Proposition 1B bond category in which the advanced project was originally funded.

The legislation would provide an immediate benefit to the BART to Warm Springs extension, which has been assigned \$40 million in PTMISEA funds, and over \$90 million in State Local Partnership Program funds. In the absence of a state allocation of these funds due to the state's fiscal crisis, local funds could be made available to keep this project on track. Local agencies, however, are unwilling to make such funds available without assurance that such expenditures will be eligible for reimbursement when the state bond funds become available.

Staff from Assembly Speaker Bass' office has requested that MTC sponsor this legislation jointly with the Los Angeles Metropolitan Transportation Authority. While the legislation has not yet been

amended to incorporate these ideas, we request your support for the bill as it is proposed to be amended, and permission to serve as co-sponsor of the bill.

With regard to AB 1072, MTC has long argued in support of locking in the years used to determine each operator's share of PTMISEA funds as a way to: 1) provide better certainty for transit operators, and 2) enable long-term planning to assist the state in determining how to size its annual appropriations. For these reasons, we urge your support for AB 1072.

Known Positions

AB 672

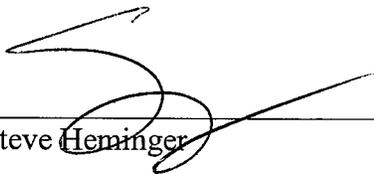
Support
None

Oppose
None

AB 1072 (Eng)

Support
California Transit Association (sponsor)

Oppose
None



Steve Heminger