



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 3

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Memorandum

TO: Legislation Committee
FR: Deputy Executive Director, Policy
RE: FY 2014-15 Governor's Budget

DATE: January 3, 2014
W. I. 1131

According to the Legislative Analyst's Office, assuming no change to current law and policy, the state will have a reserve of approximately \$5.6 billion in the General Fund at the end of FY 2014-15. This reflects a \$234 million ending reserve for FY 2012-13, a \$2.2 billion operating surplus in FY 2013-14, and a \$3.2 billion operating surplus for FY 2014-15. As such, the Legislature will face a very different set of decisions in 2014 than it faced in the budget debates of the last few years.

It is worth noting that at a recent Senate Budget Subcommittee No. 2 hearing chaired by State Senator Beall, California State Transportation Agency Secretary Brian Kelly noted that the Brown Administration is considering using a portion of this surplus to repay in advance some of the outstanding loans that transportation funds have made to the General Fund.

The Governor's Budget is anticipated to be released on January 10, 2014, the same day as your meeting. Assuming no early release, staff will provide an oral report on the proposal at your meeting, with a more detailed analysis to follow at the full Commission meeting later this month.



Ann Flemer

AF: RL

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