



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: May 21, 2007

FR: Rebecca Long

RE: May Revise of FY 2007-08 Budget

To close an ongoing structural deficit in the state budget, the Administration once again looks to using transportation funds for costs normally covered by the General Fund. In total, the budget now proposes to transfer \$1.3 billion in transit funds to the General Fund, including almost the entire spillover, which is now projected to be \$827 million (\$210 million higher than in the January budget). This is by far the highest spillover on record, second only to the current year (approximately \$551 million) and yet the Schwarzenegger Administration would use none of these funds for the State Transit Assistance (STA) Program.

For the Bay Area, this spillover diversion results in loss of \$145 million that would otherwise be available to the Bay Area for public transit improvements under the State Transit Assistance (STA) Program, up from \$109 million in the January budget or an additional 33% hit. Attached is a detailed summary by operator. MTC strongly opposes this diversion in funds and will work with our transit partners throughout the region on a strategy to protect a reasonable amount of these funds for STA as well as State Transportation Improvement Program allocations programmed for next year.

However, there is some good news: Relative to January, the May Revise contains a \$21 million increase in funding statewide for the STA Program, from \$185 million (in the January budget) to \$206 million, due mainly to increases in the sales tax on diesel fuel. The May Revise also slightly modifies the proposal to reduce FY 2007-08 STA funding to compensate for overly high projections of the spillover in the current year. Instead of a \$102 million reduction proposed in January, the May Revise would reduce STA in FY 2007-08 by \$95 million. Overall, the May Revise results in a \$7.5 million increase to the Bay Area relative to January. The revised amounts by operator are also shown in the attachment.

Proposed State Transit Assistance (STA) Funding for FY 2007-08 Budget (Based on Final 05/06 State Controller Factors¹)

Apportionment Jurisdictions	PROPOSED FUNDING			PROPOSED DIVERSIONS		
	January Budget	May Revise	Change	Spillover Loss (January Budget)	Spillover Loss (May Revise)	Change
STA FUNDING STATEWIDE	\$ 184,658,000	\$205,845,000	\$21,187,000	\$(308,500,000)	\$(413,500,000)	\$(105,000,000)
AC Transit	\$ 4,468,185	\$ 4,980,849	\$ 512,664	\$ (7,462,908)	\$ (10,005,495)	\$ (2,542,586)
ACE	\$ 186,913	\$ 208,359	\$ 21,446	\$ (312,731)	\$ (418,549)	\$ (105,818)
BART	\$ 12,738,862	\$ 14,200,474	\$ 1,461,612	\$ (21,281,866)	\$ (28,525,813)	\$ (7,243,947)
Benicia	\$ 5,977	\$ 6,663	\$ 686	\$ (9,986)	\$ (13,384)	\$ (3,398)
Caltrain	\$ 2,142,219	\$ 2,388,009	\$ 245,791	\$ (3,578,858)	\$ (4,797,016)	\$ (1,218,158)
Central Contra Costa Transit Authority (County Connection)	\$ 262,880	\$ 293,042	\$ 30,162	\$ (439,594)	\$ (588,661)	\$ (149,067)
Dixon	\$ 2,281	\$ 2,543	\$ 262	\$ (3,812)	\$ (5,108)	\$ (1,296)
Eastern Contra Costa Transit Authority (TriDelta)	\$ 128,167	\$ 142,872	\$ 14,705	\$ (214,120)	\$ (287,000)	\$ (72,880)
Fairfield	\$ 43,233	\$ 48,193	\$ 4,960	\$ (72,225)	\$ (96,811)	\$ (24,586)
Golden Gate Bridge, Highway and Transit District	\$ 1,822,711	\$ 2,031,842	\$ 209,131	\$ (3,045,096)	\$ (4,081,550)	\$ (1,036,455)
Healdsburg	\$ 606	\$ 675	\$ 70	\$ (1,013)	\$ (1,357)	\$ (343)
Livermore-Amador Transit (LAVTA)	\$ 80,895	\$ 90,176	\$ 9,282	\$ (135,146)	\$ (181,146)	\$ (45,999)
Napa Transit Services	\$ 22,052	\$ 24,582	\$ 2,530	\$ (36,840)	\$ (49,380)	\$ (12,540)
SamTrans	\$ 2,285,104	\$ 2,547,288	\$ 262,185	\$ (3,817,579)	\$ (5,116,975)	\$ (1,299,397)
San Francisco Muni	\$ 16,254,409	\$ 18,119,382	\$ 1,864,973	\$ (27,157,159)	\$ (36,398,089)	\$ (9,240,929)
Santa Rosa	\$ 49,022	\$ 54,647	\$ 5,625	\$ (81,897)	\$ (109,774)	\$ (27,877)
Sonoma County Transit	\$ 58,981	\$ 65,748	\$ 6,767	\$ (98,536)	\$ (132,075)	\$ (33,539)
Union City	\$ 20,711	\$ 23,088	\$ 2,376	\$ (34,601)	\$ (46,378)	\$ (11,777)
Vallejo	\$ 283,609	\$ 316,149	\$ 32,540	\$ (473,805)	\$ (635,078)	\$ (161,273)
Valley Transportation Authority	\$ 6,326,939	\$ 7,052,869	\$ 725,930	\$ (10,570,054)	\$ (14,167,754)	\$ (3,597,700)
Western Contra Costa Transit Authority (WestCAT)	\$ 112,305	\$ 125,190	\$ 12,885	\$ (187,622)	\$ (251,481)	\$ (63,860)
BAY AREA REVENUE BASED AMOUNT	\$ 47,296,060	\$ 52,722,641	\$ 5,426,581	\$ (79,015,448)	\$ (105,908,874)	\$ (26,893,426)
BAY AREA POPULATION BASED AMOUNT	\$ 17,700,485	\$ 19,731,375	\$ 2,030,890	\$ (29,571,421)	\$ (39,636,248)	\$ (10,064,827)
GRAND TOTAL - BAY AREA	\$ 64,996,545	\$ 72,454,016	\$ 7,457,472	\$ (108,586,869)	\$ (145,545,122)	\$ (36,958,254)

1) These calculations will be revised upon receipt of the revised factors for FY 2006-07 from the State Controller -- anticipated within the next few weeks.