



Executive Director's Report

January 20, 2009

STATE UPDATE

BUDGET WRAP: Legislative leaders and the Governor (the BIG 5) continue to negotiate on the budget. The 18-month budget gap has widened to \$41.6 billion through June 30, 2010. This includes a current year (2008-09) budget deficit of \$14.8 billion. The Governor proposes to reduce spending from the 2008-09 figure of \$103.4 billion to \$92.4 billion in 2009-10. Indications are that a compromise proposal may be reached soon on the nearly \$42 billion shortfall.

The state faces a serious cash-flow crisis and with further decreases in revenue are being anticipated, action is needed quickly. In fact, even if the legislature were to adopt all of the Special Session proposals made by the Governor by February 1, 2009, the state will be unable to pay all of its bills beginning in March and may have to issue IOUs at the beginning of the next fiscal year (July 1, 2009). The state's precarious situation has impacted the state's ability to borrow. According to the Governor, long-term bond markets are closed to California. The national financial and banking crisis has also closed short-term markets and the Pooled Money Investment Board has had to stop making short-term loans used to finance projects, which includes vital Proposition 1B requests. Furthermore, the State Controller's Office is delaying payments to highway construction contractors and State Transit Assistance recipients. The Pooled Money Investment Board, which is responsible for providing revenue to pay for voter-approved infrastructure projects, recently met to provide \$650 million in payments for a selected list of projects. Payments will cease however if a budget deal is not reached by February 1st however, and all projects will be shut down.

Legislative Leaders Move to Fund Transit Capital Projects: Taking a cue from the Obama Administration, Senate President Pro Tem Darrell Steinberg and Assembly Speaker Karen Bass last week unveiled a "Green Economic Stimulus Package" designed to accelerate over \$2 billion in voter-approved infrastructure bond money aimed directly at investments in the emerging green economy. According to the [press release](#) issued jointly by the two legislative leaders, "These funds will be appropriated for immediate economic stimulus projects to provide clean air, clean water and natural resource protection while providing jobs and economic activity." The package includes \$800 million from Proposition 1B's Public Transit Modernization, Improvement and Service Enhancement Account (PTMISEA) to be appropriated to the state Department of Transportation for allocation to public transit agencies for eligible capital improvements to public transit systems and services. [The analysis provided](#) includes data provided by (and duly credited to) the California Transit Association stating that for every \$1 billion invested in new transit capital projects, some 31,400 jobs are created and more than \$3 billion in local economic activity is created.

AB 118's AQIP – Public Workshops Planned: The California Air Resources Board (CARB) is hosting two public workshops on the Air Quality Improvement Program (AQIP) Guideline and FY 2009-10 Funding Plan development next month. The AQIP is pursuant to AB 118 (Nunez, Chapter 750, Statutes of 2007), which provides about \$50 million annually through 2015 for the AQIP Program to fund a variety of air quality incentive projects, including low-emission vehicles and equipment projects, air quality research, and advanced technology workforce training. The public workshops will be held on February 4 in Sacramento and February 5 in Fresno. The workshop on February 4 will also be webcast. [Click here](#) to see the notice for this public workshop. Please contact Legislative and Regulatory Assistant Sabrina Means at 916-446-4656 or by email at sabrina@caltransit.org with any questions.

ASSOCIATION NEWS AND ACTIVITIES

Association's Lobby Day Set for March 25: All California Transit Association members are invited to join us in Sacramento for our annual Lobby Day. The event presents an opportunity to meet with your legislative representatives to give them a first-hand account of the importance of state funding for public transit. A briefing and orientation session helps bring you up to speed on the latest developments in the Capitol, and will include a primer on our key messaging points and issues of emphasis. We then turn you loose on the Capitol so you can make your case face-to-face. The Sheraton Grand Sacramento Hotel will serve as



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Lobby Day headquarters. There is a discounted sleeping room rate of \$199 for the evening of March 24. To receive the \$199 rate, call 916-341-3627 to make your reservation by March 3, and ask for the California Transit Association group rate.

Fall Conference Photos Now Posted Online: After sorting through nearly 2,000 photos taken during our recent Fall Conference and EXPO, the best of the bunch are now available for downloading. Visit the [Fall Conference 2008 Wrap-Up](#) at www.caltransit.org for a re-cap of activities and presentations during the four-day gathering. Click the photos link at the bottom of the page to access the online gallery. Photos can be downloaded from the gallery, where you can purchase re-prints or even coffee mugs, mousepads or other trinkets and memorabilia emblazoned with your favorite photo memory from a memorable week in Monterey.



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