

MOTION BY DIRECTOR ZEV YAROSLAVSKY**1/22/04**

The MTA has been hard hit recently by state and federal actions which have reduced anticipated revenue for many MTA projects. As a result, the MTA Board has taken action to delay projects, shift revenues among projects and ask for permission to borrow against future federal revenues. Governor Schwarzenegger has proposed further transportation reductions which could result in an additional \$48 million loss to the MTA for fiscal year 04-05. While MTA has made adjustments to its short and long range plans based on anticipated revenue reductions, it will have to make further cuts to its FY04-05 budget to accommodate the additional revenue loss.

As many of MTAs projects have now been delayed, it is incumbent upon the MTA to cut costs and reduce spending across the board to reflect this dire fiscal situation. While cost cutting is always difficult, it is imperative that the MTA live within its means and bring spending in line with reduced revenues.

I THEREFORE MOVE that as part of the FY04-05 budget process, MTA staff develop three cost cutting scenarios for consideration by the MTA Board of Directors as part of its budget approval process. These scenarios would represent across-the-board cuts (or their equivalents) of at least 5%, 10% and 15% for every MTA department.