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Governor Schwarzenegger Issues May Budget Revision

Yesterday, Governor Schwarzenegger issued his May Revision to the State Budget. In his proposal, the Governor is proposing to fully fund Proposition 42, but use Public Transportation Account (PTA) Spillover Revenues to solve the State Budget deficit. Under current law $\frac{1}{2}$ of PTA Spillover revenues are to be allocated to the General Fund and the other $\frac{1}{2}$ are to be allocated to the State Transit Assistance Account. The Governor's January Budget maintained this allocation but the May Revision would take the remaining $\frac{1}{2}$ of Spillover revenues to the General Fund. This impacts the STA amounts in the following manner. In January the STA would have been funded at \$743 million statewide. Of that amount Los Angeles County (including municipal operators) would have received \$227 million. Under the May Revision, the STA is proposed to be funded at \$306 million statewide, of which Los Angeles County (including municipal operators) would receive \$94 million, a loss of approximately \$133 million countywide.

The May Revision also proposes to loan money from the State Highway Account to the General Fund, however, Caltrans estimates that projects in the State Transportation Improvement Program will not be impacted.

Legislators from both parties are reacting negatively to the Governor's proposal. Specifically, staff has learned that Legislators are asking the Governor to suspend Proposition 42 to offset the impacts of cuts to social service programs. The Legislature will now begin hearings on the Governor's budget proposal.

House Panel Clears Measure to Encourage Greater Transit Use

This afternoon, the U.S. House Transportation and Infrastructure Committee marked up and approved legislation introduced last night by Chairman James Oberstar (D-MN) that would encourage greater use of public transit. The "Saving Energy Through Public Transportation Act of 2008" (H.R. 6052) authorizes \$1.7 billion over two years for grants to transit agencies to reduce fares or expand service. The legislation also increases the federal share for clean fuel and alternative fuel transit bus, ferry or locomotive-related equipment or facilities from 90% to 100% of the net capital cost of the project for fiscal years 2008 and 2009. It should be noted that the provisions of H.R. 6052 were incorporated into a comprehensive climate change measure that was approved last year by the Transportation and Infrastructure Committee but did not become law. H.R. 6052 is expected to come before the House in the near future.

LA City Council Rules and Government Committee Considers SB 1722 (Oropeza)

Yesterday, the City of Los Angeles Rules and Government Committee considered a resolution to support [SB 1722 \(Oropeza\)](#) that would establish a Green Line Construction Authority to build an extension to LAX. Staff recommended that the city resolution and state legislation be amended to include language that prohibits the construction authority to compete for funding with our priority projects. The members of the committee, Council President Eric Garcetti and Councilmember Dennis Zine, agreed to the amendment. The resolution will go to full Council for adoption at a future date.

Media Covers Bike to Work Day Activities

In live coverage this morning from the Hollywood/Western and North Hollywood Metro Rail stations, KNBC and Ch. 52 highlighted the activities for Bike to Work Day. Communications staff invited the public to ride their bike to work, offered ride free on Metro buses and trains. Other municipal transit operators also participated. A number of individuals stopped by various bike pit stops for refreshment, snacks and information on bicycling. For those who pledged to bike to work there will be a drawing for a free folding bike as a prize. The winner will be announced next week. Stories ran earlier this morning.

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