

KNABE AND ROBERTS MOTION
FINANCE AND BUDGET COMMITTEE MEETING
MAY 20, 2004

PROP A INCENTIVE WAS CREATED IN 1985 TO PROVIDE MORE FLEXIBLE FUNDING FOR CITIES AND IS NOT ELIGIBLE TO FUND THE CONSENT DECREE WITHOUT GOING THROUGH THE REGIONAL COMMITTEE PROCESS. MTA EXCHANGES THE MORE RESTRICTIVE TDA ARTICLE 4.5 FUNDS WITH THE CITIES FOR PROP A INCENTIVE. THE ARTICLE 4.5 FUNDS ARE INTENDED FOR CITY INTRA-COMMUNITY PUBLIC TRANSPORTATION SERVICES. MTA USES THE EXCHANGED FUNDS FOR MUNICIPAL OPERATOR AND MTA OPERATIONS.

THERE CURRENTLY IS A CARRYOVER BALANCE. THE PROGRAM WAS CAPPED FOR 10 YEARS WITH NO SERVICE EXPANSION. IN 2001 THE PROGRAM'S CAP WAS REMOVED AND THE EXPENDITURE RATE IS NOW EQUAL TO THE REVENUES.

WITH THE CANCELLATION OF THE CALL FOR PROJECTS, CITIES HAVE NO ALTERNATIVE FUNDING SOURCE TO MEET THEIR CAPITAL NEEDS. THE CITIES TOGETHER OPERATE APPROXIMATELY 400 VEHICLES IN THE REGION AND PROVIDE A CHEAPER ALTERNATIVE TO ASI. THESE FUNDS SHOULD BE RESERVED TO MEET TRANSIT CAPITAL NEEDS OF CITIES.

I THEREFORE MOVE THAT MTA STAFF DEVELOP ALLOCATION AND ADMINISTRATIVE GUIDELINES TO ENSURE THAT THESE FUNDS ARE PROGRAMMED FOR THE PURPOSE FOR WHICH THEY WERE ALLOCATED, INCLUDING WHETHER THIS CURRENT RECOMMENDATION WENT THROUGH THE REQUISITE PROCESS, AND REPORT BACK TO THE BOARD.

