



Strategic Planning Committee

January 5, 2009

Transit Programming

Issue: Update on transit programming issues related to state and federal budget.

Recommendation: None. This is an informational item only.

Discussion: The news is full of speculation regarding the status of the state and federal budgets. The state is predicting a \$41.6 billion shortfall over the next 18 months and there is much discussion of solutions to this problem including spending cuts and revenue enhancements. Although there is talk of a state stimulus package, the current economic conditions at the state, national and world level limit the ability of the state to fund this type of program through the traditional market mechanisms such as selling bonds.

At the federal level, funding for most federal programs exists through continuing resolutions. There has been a \$700 billion stimulus package approved to calm the financial markets. There is additional discussion of a new stimulus or recovery package to be approved early in the new administration with numbers ranging from \$700 million to \$1 trillion. Timing of the federal package, once hoped for in January appears to be moving into a February or March timeframe.

As part of this process staff has been working to accommodate the programming of transit projects through the Proposition 1 B Bond Act, (Transit Safety and Security Funds and Public Transit Funds). Projects approved by the Board in November for Public Transit Funds and on the agenda for approval in January for Transit Safety and Security funding are held up in the current state budget crisis. Further SACOG action on the next round of Public Transit Bond funds will be delayed until the budget is resolved.

On the federal side, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, signed into law by President Bush on September 30, 2008, continues to fund the Federal transit programs of the Department of Transportation (DOT) at the same levels that were available in FY 2007/08 until a DOT Appropriations Act for Fiscal Year (FY) 2009 is enacted or March 6, 2009, whichever occurs first. While this provides some guidance for programming FTA funds for FY 2008/09 it does not provide the increased level of funding contained in the last year of SAFETEA-LU nor does it provide full funding targets for the entire fiscal year.

Staff hopes to have further information at the Strategic Planning Committee meeting on January 12.

Approved by:

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