

Memorandum

To: Chair and Commissioners

Date: June 6-7, 2007

From: John F. Barna, Jr., Executive Director

File No: Item 4.14
INFORMATION

Ref: Update on the May Revision to the Governor's Proposed 2007-08 Budget

In January, Caltrans presented to the Commission a summary of Caltrans' budget as proposed by the Administration. On March 15, 2007 the Commission adopted recommendations for the Legislature on the proposed budget. These recommendations are listed in Attachment 1. Last month the Administration released the May Revision to the Governor's proposed 2007-08 Budget. This item highlights some of the key issues raised by the May Revision.

Overview:

The May Revision proposes increased Proposition 1B bond spending for nearly all programs. The increases are due to changes in proposed capital outlay and local assistance appropriations and allocations, and to the addition of proposed support expenditures.

The May Revision also includes higher spillover revenue estimates and proposes increased diversion of both 2007-08 and on-going Public Transportation Account resources. The changes proposed would under fund the State Transportation Improvement Program (STIP) by over \$600 million in 2007-08 and could under fund the STIP by approximately \$900 million over the STIP period ending in 2010-11.

Since the release of the May Revision, budget subcommittees in both houses of the Legislature have taken action on the transportation budget. Key subcommittee actions include:

- Senate Budget Subcommittee No. 4 rejection of the proposed Public Transportation Account diversions.
- Assembly Budget Subcommittee No. 5 approval of \$469 million in 2007-08 Public Transportation Account diversions.
- Assembly Budget Subcommittee No. 5 approval of trailer bill language to include spillover revenues in the Proposition 42 distribution beginning in 2008-09 (at the time of the subcommittee action, this language had not yet been written).
- Assembly Budget Subcommittee No. 5 approval of trailer bill language to change the Proposition 42 distribution beginning in 2008-09 (at the time of the subcommittee action, this language had not yet been written):
 - 30 percent to cities and counties for local streets and roads (currently 40 percent).
 - 35 percent to the Public Transportation Account (currently 20 percent).
 - 35 percent remaining in the Transportation Investment Fund for the STIP (currently 40 percent).

Proposition 1B Bonds:

The May Revision to the Governor's Budget rolls the previously requested current-year implementation of the Proposition 1B bonds into the proposed 2007-08 allocations. Additionally, the Administration has updated proposed appropriation and allocation levels for each bond program, and has included support funding for the programs. Below is a summary the changes to the requested bond funding. Additional detail is provided in Attachments 2 and 3.

The Governor's Budget proposed \$8.2 billion in bond appropriations:

- Support was not included in this amount.
- \$523 million was proposed for current-year.
- \$7.685 billion was proposed as a three-year appropriation (\$7.588 billion for core transportation programs¹).
- \$2.789 billion was proposed for allocation in 2007-08 (\$2.692 billion for core transportation programs).

The May Revision proposes \$11.487 billion in bond appropriations.

- Includes support costs.
- Does not include current-year implementation.
- \$11.487 billion is proposed as a three-year appropriation:
 - \$10.780 billion for core transportation programs.
 - Estimated \$456 million for three-year support costs.
 - \$10,324 billion for core transportation programs excluding support. **This is a 27%, \$2.213 billion increase over what was proposed in the Governor's Budget.**
- \$4,087 billion is proposed for allocation in 2007-08:
 - \$3.701 billion for core transportation programs.
 - \$133 million for support costs.
 - \$3,569 billion for core transportation programs excluding support. **This is an 11%, \$354 million increase over what was proposed in the Governor's Budget** (current year plus budget year).

Despite opposition previously expressed in both houses of the Legislature, the May Revision retains the request for three-year appropriations and the authorization to transfer budget authority between the various bond programs. The Legislative Analyst's Office has recommended budget bill language to allow the 2007-08 appropriations to be augmented by up to twenty-five percent of the estimated 2008-09 appropriation. This proposal is shown in Attachment 4.

Public Transportation Account:

The May Revision includes higher spillover revenue forecasts:

- Increase of \$210 million in 2007-08 to \$827 million.
- Revenue of \$935 million in 2008-09.

¹ Excludes: School Bus Retrofit/Replacement; Transit System Safety, Security & Disaster Response; and Ports Infrastructure, Security & Air Quality Improvement.

The May Revision proposes to use the higher Public Transportation Account revenue to fund increased diversions from the Public Transportation Account (see Attachment 5):

- \$200 million current-year diversion to fund the Home-to-School program.
- \$3 million increase to the 2007-08 diversion for the Home-to-School program.
- \$200 million on-going diversion, beginning in 2008-09, to offset General Fund costs.

As previously proposed in the Governor's Budget, the May Revision proposes to reduce funding for the State Transit Assistance program in 2007-08, and recommends that no spillover revenue be allocated to the State Transit Assistance program in the future.

With the adoption of the 2006 STIP Augmentation, the Public Transportation Account will be nearly fully programmed. These diversions would leave the STIP severely under funded. Should this occur, these programmed transit projects would need to be funded with Transportation Investment Fund resources or bond funds.

Legislative Actions:

SENATE BUDGET AND FISCAL SUBCOMMITTEE NO. 4:

The Senate Budget Subcommittee No. 4 rejected the Administration's request for three-year bond appropriations and the authorization to transfer budget authority between the various bond programs. The subcommittee approved the Legislative Analyst's Office's recommendation that budget bill language be included to allow the 2007-08 appropriations to be augmented by up to twenty-five percent of the estimated 2008-09 appropriation (see Attachment 4).

The Senate Budget Subcommittee No. 4 also rejected the Administration's proposed Public Transportation Account diversions, and the Administration's proposal to remove spillover revenue from the State Transit Assistance apportionments.

The Senate Budget Subcommittee No. 4 adopted budget bill language to retain non-Article XIX revenue in the State Highway Account in 2007-08, but did not repeal the language to halt the transfer of these funds to the Public Transportation Account beyond 2007-08.

Additionally the Senate Budget Subcommittee No. 4 took the following actions on support budget requests:

- Rejected the Commission's proposed staffing augmentation of 5 positions and \$584,000 from various bond accounts. This issue will be decided in the Conference Committee. The concern raised was regarding the Commission's role in the apportionment of local street and road bond funds by the State Controller's Office and the \$40,000 from the Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006 requested in the Commission's proposal.
- Approved the requested increase in Caltrans Capital Outlay Support, however approved the additional resources (595 personnel years equivalents, \$156 million) as state staff rather than the requested contract resources.
- Approved the augmentation of the High-Speed Rail Authority budget by \$40 million from the Public Transportation Account.

ASSEMBLY BUDGET SUBCOMMITTEE NO. 5:

The Assembly Budget Subcommittee No. 5 approved \$469 million in 2007-08 Public Transportation Account diversions:

- \$340 million for General Obligation bond debt service.
- \$129 million for Developmental Services Regional Center Transportation.

The Assembly Budget Subcommittee No. 5 rejected the 2007-08 and the on-going diversion of Public Transportation Account funds to fund Home-to-School Transportation and the Administration's proposal to remove spillover revenue from the State Transit Assistance apportionments. The Assembly Budget Subcommittee No. 5 also rejected the proposal to retain non-Article XIX in the State Highway Account in 2007-08 and beyond.

The Assembly Budget Subcommittee No. 5 approved trailer bill language to include spillover revenues in the Proposition 42 distribution beginning in 2008-09. At the time of the subcommittee action, this language had not yet been written. Thus, while this action is consistent with the Commission's recommendation to eliminate spillover, it is not clear if the Assembly Budget Subcommittee No. 5's proposal is to eliminate spillover or to redirect spillover. The elimination of the spillover statute [by deleting Revenue and Taxation Code section 7102(a)(1)] may do more to stop the on-going diversion of spillover than would adding a section of statute to redirect the spillover revenue to the Transportation Investment Fund or to have the spillover revenue follow the Proposition 42 distribution separately.

Along with approving the inclusion of spillover revenue in the Proposition 42 distribution, the Assembly Budget Subcommittee No. 5 approved trailer bill language to change the Proposition 42 distribution beginning in 2008-09 (at the time of the subcommittee action, this language had not yet been written). The proposed distribution would be:

- 30 percent to cities and counties for local streets and roads (currently 40 percent).
- 35 percent to the (currently 20 percent).
- 35 percent remaining in the Transportation Investment Fund for the STIP (currently 40 percent).

The change in the percentage distribution of Proposition 42 revenues requires a bill that was passed in each house of the Legislature by a two-thirds vote and that does not contain any other unrelated provisions. Attachment 6 shows the impact of the proposed Proposition 42 redistribution. Given the spillover revenue estimates, if one assumes the proposed change to the Proposition 42 distribution and an end to the spillover diversions, compared with a scenario that assumes the current Proposition 42 distribution and that spillover revenue is not diverted in the future, the redistribution proposal increases STIP funding in the Transportation Investment Fund and local street and road funding at the expense of STIP funding in the Public Transportation Account and the State Transit Assistance program.

However, because spillover has been diverted annually since 2003-04, it is more useful to consider a comparison which looks at the proposed change to the Proposition 42 distribution and an end to the spillover diversions compared with a scenario that assumes the current Proposition 42 distribution and the on-going diversion of spillover. In this scenario, there is a net increase to STIP funding in

the Public Transportation Account and the State Transit Assistance program (in addition to the increase to Transportation Investment Fund and local street and road funding).

It should be noted, that this analysis is based on record levels of spillover revenue forecast by the Department of Finance. This redistribution could have a negative impact on the STIP funding in the Transportation Investment Fund if the spillover revenue declined to a level that does not offset the proposed decrease in the distribution (from 40% to 35%).

A preliminary analysis of the Assembly Budget Subcommittee No. 5's proposed changes impacting the Public Transportation Account in 2007-08 and beyond indicate that the 2007-08 reductions will be offset by slightly higher annual increases through the remainder of the STIP period if the revenue forecasts are accurate.

As in the Senate Budget Subcommittee No. 4, the Assembly Budget Subcommittee No. 5 rejected the Administration's request for three-year bond appropriations and the authorization to transfer budget authority between the various bond programs and approved the Legislative Analyst's Office's recommendation that budget bill language be included to allow the 2007-08 appropriations to be augmented by up to twenty-five percent of the estimated 2008-09 appropriation (see Attachment 4).

Additionally the Assembly Budget Subcommittee No. 5 took the following actions to support budget requests:

- Conformed to the Senate and approved the requested increase to Caltrans' Capital Outlay Support, however approved the additional resources (595 personnel years equivalents, \$156 million) as state staff rather than the requested contract resources.
- Approved an augmentation to the High-Speed Rail Authority budget of \$50 million from the Public Transportation Account.

Next Steps in the Budget Process:

Each subcommittee reports its recommendations to the full committees. Upon adoption of the budget by the full committees a recommendation is made to the floor (full house). Upon two-thirds vote of the house, the Budget Bill is passed to the other house. A Budget Conference Committee is then appointed to work out differences between the Senate and Assembly versions of the bill. Upon completion of action by the Conference Committee and a two-thirds vote, this conference version is then sent to the two houses for approval. Sometimes the Conference Committee does not reach final resolution on the budget. This stalemate typically results from non-resolution of a few major issues. These issues are then resolved by the "Leadership" or "Big 5" (Governor, Speaker of the Assembly, President Pro Tempore, and the minority leaders of both houses). When the Budget Bill receives a two-thirds vote of each house, it is passed on to the Governor. The Constitution allows the Governor to reduce or eliminate an item of appropriation ("blue pencil").

Attachment 1

Commission Recommendations to the Legislature on the Proposed 2007-08 Budget:

Proposition 1B Bonds:

1. The Legislature should approve bond appropriations with the suggested language specifying three year appropriations.
2. The Legislature should approve bond appropriations with provisional language authorizing the transfer of budget authority between the various bond programs with Department of Finance and Legislative approval.
3. If the Legislature determines that an expanded role for the Commission is warranted, the Commission recommends that the Legislature provide clear and explicit guidance regarding programming objectives and process, and include sufficient resources in the Commission's budget to fulfill that role.

Public Transportation Account:

4. The Legislature should continue funding the Home-to-School Transportation program, the Developmental Services Regional Center Transportation program, and general obligation bond debt service from the General Fund rather than funding these programs from the Public Transportation Account.
5. Rather than discontinuing the allocation of spillover revenue to the State Transit Assistance program, the Legislature should permanently eliminate the spillover mechanism. These funds should either be deposited along with other gasoline sales tax revenue in the Transportation Investment Fund or be deposited in the State Highway Account to fund to highway maintenance and rehabilitation.

Highway Maintenance and Rehabilitation:

6. The Legislature should consider convening a Blue Ribbon Commission on Future Transportation Funding Needs to identify transportation funding needs across all modes and jurisdictions, to examine the options for enhancing transportation revenues, and to consider additional ways to raise revenues. The commission should provide its recommendations to the Legislature within twelve months of its establishment.

Attachment 2

Proposed 2007-08 Proposition 1B Budget Authority

Governor's Budget (Jan 10) Program (Fund or Account)		2007-08 (including 2006-07)		
		Capital + Local	Support	Total
6053	School bus retrofit/replacement	\$97	\$0	\$97
6053	State Route 99 Improvements	\$28	\$0	\$28
6054	CA Ports Infrastructure, Security & Air Quality Improvement Account (for Port Security)	\$0	\$0	\$0
6055	Corridor Mobility Improvement Account	\$417	\$0	\$417
6056	Trade Corridors Improvement Fund	\$185	\$0	\$185
6058	State Transportation Improvement Program (Transportation Facilities Account)	\$602	\$0	\$602
6059	Intercity Rail (Public Transportation Modernization, Improvement, & Service Enhancement Acc	\$0	\$0	\$0
6059	Transit Apportionments (Public Transportation Modernization, Improvement, & Service Enhanc	\$600	\$0	\$600
6060	State-Local Partnership Program	\$170	\$0	\$170
6061	Transit System Safety, Security & Disaster Response Account (for Transit Security)	\$0	\$0	\$0
6062	Local Bridge Seismic Retrofit Account	\$14	\$0	\$14
6063	Highway-Railroad Crossing Safety Account	\$55	\$0	\$55
6064	State Highway Operation and Protection Program (Highway Safety, Rehabilitation, and Preserv	\$544	\$0	\$544
6065	Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006	\$600	\$0	\$600
TOTAL		\$3,312	\$0	\$3,312
Core Transportation:		\$3,215	\$0	\$3,215

May Revision (Change) Program (Fund or Account)		2007-08		
		Capital + Local	Support	Total
6053	School bus retrofit/replacement	\$0	\$0	\$0
6053	State Route 99 Improvements	-\$22	\$10	-\$12
6054	CA Ports Infrastructure, Security & Air Quality Improvement Account (for Port Security)	\$111	\$0	\$111
6055	Corridor Mobility Improvement Account	\$177	\$16	\$193
6056	Trade Corridors Improvement Fund	\$15	\$2	\$17
6058	State Transportation Improvement Program (Transportation Facilities Account)	\$62	\$75	\$137
6059	Intercity Rail (Public Transportation Modernization, Improvement, & Service Enhancement Acc	\$187	\$3	\$190
6059	Transit Apportionments (Public Transportation Modernization, Improvement, & Service Enhanc	\$0	\$0	\$0
6060	State-Local Partnership Program	\$30	\$2	\$32
6061	Transit System Safety, Security & Disaster Response Account (for Transit Security)	\$178	\$0	\$178
6062	Local Bridge Seismic Retrofit Account	-\$1	\$0	\$0
6063	Highway-Railroad Crossing Safety Account	\$68	\$1	\$68
6064	State Highway Operation and Protection Program (Highway Safety, Rehabilitation, and Preserv	-\$163	\$24	-\$139
6065	Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006	\$0	\$0	\$0
TOTAL		\$643	\$132	\$775
Core Transportation:		\$354	\$116	\$486

May Revision (Total) Program (Fund or Account)		2007-08		
		Capital + Local	Support	Total
6053	School bus retrofit/replacement	\$97	\$0	\$97
6053	State Route 99 Improvements	\$6	\$10	\$16
6054	CA Ports Infrastructure, Security & Air Quality Improvement Account (for Port Security)	\$111	\$0	\$111
6055	Corridor Mobility Improvement Account	\$594	\$16	\$610
6056	Trade Corridors Improvement Fund	\$200	\$2	\$202
6058	State Transportation Improvement Program (Transportation Facilities Account)	\$664	\$75	\$739
6059	Intercity Rail (Public Transportation Modernization, Improvement, & Service Enhancement Acc	\$187	\$3	\$190
6059	Transit Apportionments (Public Transportation Modernization, Improvement, & Service Enhanc	\$600	\$0	\$600
6060	State-Local Partnership Program	\$200	\$2	\$202
6061	Transit System Safety, Security & Disaster Response Account (for Transit Security)	\$178	\$0	\$178
6062	Local Bridge Seismic Retrofit Account	\$14	\$0	\$14
6063	Highway-Railroad Crossing Safety Account	\$123	\$1	\$123
6064	State Highway Operation and Protection Program (Highway Safety, Rehabilitation, and Preserv	\$382	\$24	\$405
6065	Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006	\$600	\$0	\$600
TOTAL		\$3,955	\$132	\$4,087
Core Transportation:		\$3,569	\$116	\$3,701

Attachment 3

Proposed 3-Year Proposition 1B Budget Authority

Governor's Budget (Jan 10) Program (Fund or Account)		3-Year Authority (including 2006-07)		
		Capital + Local	Support	Total
6053	School bus retrofit/replacement	\$97	\$0	\$97
6053	State Route 99 Improvements	\$171	\$0	\$171
6054	CA Ports Infrastructure, Security & Air Quality Improvement Account (for Port Security)	\$0	\$0	\$0
6055	Corridor Mobility Improvement Account	\$2,219	\$0	\$2,219
6056	Trade Corridors Improvement Fund	\$695	\$0	\$695
6058	State Transportation Improvement Program (Transportation Facilities Account)	\$1,297	\$0	\$1,297
6059	Intercity Rail (Public Transportation Modernization, Improvement, & Service Enhancement Accr	\$0	\$0	\$0
6059	Transit Apportionments (Public Transportation Modernization, Improvement, & Service Enhanc	\$1,300	\$0	\$1,300
6060	State-Local Partnership Program	\$502	\$0	\$502
6061	Transit System Safety, Security & Disaster Response Account (for Transit Security)	\$0	\$0	\$0
6062	Local Bridge Seismic Retrofit Account	\$44	\$0	\$44
6063	Highway-Railroad Crossing Safety Account	\$174	\$0	\$174
6064	State Highway Operation and Protection Program (Highway Safety, Rehabilitation, and Preserv	\$659	\$0	\$659
6065	Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006	\$1,050	\$0	\$1,050
TOTAL		\$8,208	\$0	\$8,208
Core Transportation:		\$8,111	\$0	\$8,111

May Revision (Change) Program (Fund or Account)		3-Year Authority		
		Capital + Local	Support	Total
6053	School bus retrofit/replacement	\$97	\$0	\$97
6053	State Route 99 Improvements	\$221	\$35	\$256
6054	CA Ports Infrastructure, Security & Air Quality Improvement Account (for Port Security)	\$111	\$0	\$111
6055	Corridor Mobility Improvement Account	\$1,090	\$107	\$1,197
6056	Trade Corridors Improvement Fund	\$105	\$6	\$111
6058	State Transportation Improvement Program (Transportation Facilities Account)	\$291	\$224	\$515
6059	Intercity Rail (Public Transportation Modernization, Improvement, & Service Enhancement Accr	\$383	\$9	\$392
6059	Transit Apportionments (Public Transportation Modernization, Improvement, & Service Enhanc	\$0	\$0	\$0
6060	State-Local Partnership Program	\$91	\$6	\$97
6061	Transit System Safety, Security & Disaster Response Account (for Transit Security)	\$402	\$0	\$402
6062	Local Bridge Seismic Retrofit Account	-\$9	\$1	-\$8
6063	Highway-Railroad Crossing Safety Account	\$75	-\$3	\$72
6064	State Highway Operation and Protection Program (Highway Safety, Rehabilitation, and Preserv	-\$34	\$71	\$37
6065	Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006	\$0	\$0	\$0
TOTAL		\$2,823	\$456	\$3,279
Core Transportation:		\$2,213	\$456	\$2,669

May Revision (Total) Program (Fund or Account)		3-Year Authority		
		Capital + Local	Support	Total
6053	School bus retrofit/replacement	\$194	\$0	\$194
6053	State Route 99 Improvements	\$392	\$35	\$427
6054	CA Ports Infrastructure, Security & Air Quality Improvement Account (for Port Security)	\$111	\$0	\$111
6055	Corridor Mobility Improvement Account	\$3,309	\$107	\$3,416
6056	Trade Corridors Improvement Fund	\$800	\$6	\$806
6058	State Transportation Improvement Program (Transportation Facilities Account)	\$1,588	\$224	\$1,812
6059	Intercity Rail (Public Transportation Modernization, Improvement, & Service Enhancement Accr	\$383	\$9	\$392
6059	Transit Apportionments (Public Transportation Modernization, Improvement, & Service Enhanc	\$1,300	\$0	\$1,300
6060	State-Local Partnership Program	\$593	\$6	\$599
6061	Transit System Safety, Security & Disaster Response Account (for Transit Security)	\$402	\$0	\$402
6062	Local Bridge Seismic Retrofit Account	\$35	\$1	\$36
6063	Highway-Railroad Crossing Safety Account	\$249	-\$3	\$246
6064	State Highway Operation and Protection Program (Highway Safety, Rehabilitation, and Preserv	\$625	\$71	\$696
6065	Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006	\$1,050	\$0	\$1,050
TOTAL		\$11,031	\$456	\$11,487
Core Transportation:		\$10,324	\$352	\$10,780

Attachment 4

Proposed 2007-08 Proposition 1B Budget Authority**May Revision - Proposed Annual Funding Levels**

Program (Fund or Account)	Total Prop 1B Amount	2007-08	2008-09	2009-10	Total Three-year Appropriations	2007-08 + 25% of 2008-09
6053 School bus retrofit/replacement	\$200	\$97	\$97	\$0	\$194	\$121
6053 State Route 99 Improvements	\$1,000	\$16	\$109	\$302	\$427	\$43
6054 CA Ports Infrastructure, Security & Air Quality Improvement Account (for Port Security)	\$1,100	\$111	\$0	\$0	\$111	\$111
6055 Corridor Mobility Improvement Account	\$4,500	\$610	\$1,577	\$1,229	\$3,416	\$1,004
6056 Trade Corridors Improvement Fund	\$2,000	\$202	\$302	\$302	\$806	\$278
6058 State Transportation Improvement Program (Transportation Facilities Account)	\$2,000	\$739	\$799	\$274	\$1,812	\$939
6059 Intercity Rail (Public Transportation Modernization, Improvement, & Service Enhancement Account)	\$400	\$190	\$74	\$128	\$392	\$209
6059 Transit Apportionments (Public Transportation Modernization, Improvement, & Service Enhancement Account)	\$3,600	\$600	\$350	\$350	\$1,300	\$688
6060 State-Local Partnership Program	\$1,000	\$202	\$197	\$200	\$599	\$251
6061 Transit System Safety, Security & Disaster Response Account (for Transit Security)	\$1,000	\$178	\$123	\$101	\$402	\$209
6062 Local Bridge Seismic Retrofit Account	\$125	\$14	\$11	\$11	\$36	\$17
6063 Highway-Railroad Crossing Safety Account	\$250	\$123	\$123	\$0	\$246	\$154
6064 State Highway Operation and Protection Program (Highway Safety, Rehabilitation, and Preservation)	\$750	\$405	\$267	\$24	\$696	\$472
6065 Local Streets & Road Improvement, Congestion Relief, and Traffic Safety Account of 2006	\$2,000	\$600	\$300	\$150	\$1,050	\$675
TOTAL	\$19,925	\$4,087	\$4,329	\$3,071	\$11,487	\$5,169
Core Transportation:	\$14,025	\$3,701	\$4,109	\$2,970	\$10,780	\$4,728

Attachment 5

Public Transportation Account Diversions (\$ in millions)

2007-08	Gov. Budget	May Revision	
	Jan. 10	Change	Total
Transportation Bond Debt Service:			
Clean Air And Transportation Improvement Act of 1990	124	0	124
Passenger Rail And Clean Air Bond Act of 1990	71	0	71
Seismic Retrofit Bond Act of 1996.	145	0	145
Transportation Bond Debt Service	340	0	340
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Developmental Services Regional Center Transportation	144	0	144
Home-to-School Transportation	627	203*	830
Offset General Fund Costs	0	0	0
Total Public Transportation Account Diversions	\$1,111	\$203	\$1,314
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On-going	Gov. Budget	May Revision	
	Jan. 10	Change	Total
Transportation Bond Debt Service:			
Clean Air And Transportation Improvement Act of 1990	0	0	0
Passenger Rail And Clean Air Bond Act of 1990	0	0	0
Seismic Retrofit Bond Act of 1996.	0	0	0
Transportation Bond Debt Service	0	0	0
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Developmental Services Regional Center Transportation	0	0	0
Home-to-School Transportation	627	3	630
Offset General Fund Costs	0	200	200
Total Public Transportation Account Diversions	\$627	\$203	\$830

* \$200M to be designated current-year (2006-07) funding.

Attachment 6

Transportation Investment Fund
Estimated Impact of Redistribution & Spillover Elimination
(\$ millions)

2006 STIP Fund Estimate Augmentation	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	Distribution
RESOURCES							
Beginning Reserves:							
Revenues from the General Fund	\$1,382	\$1,454	\$1,531	\$1,612	\$1,694	\$7,673	
General Fund Loan	\$0	\$0	\$0	\$0	\$0	\$0	
<i>Less Transfers Out:</i>							
Traffic Congestion Relief Fund	(\$678)	(\$602)	\$0	\$0	\$0	(\$1,280)	
Local Street and Road Repairs	\$0	\$0	(\$612)	(\$645)	(\$678)	(\$1,935)	40%
Public Transportation Account	(\$141)	(\$170)	(\$306)	(\$322)	(\$339)	(\$1,279)	20%
TOTAL RESOURCES	\$563	\$682	\$612	\$645	\$678	\$3,180	
CASH AVAILABLE FOR STIP	\$563	\$682	\$612	\$645	\$678	\$3,180	40%

ASSEMBLY BUDGET SUB 5 PROPOSAL	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	
RESOURCES							
Beginning Reserves:							
Revenues from the General Fund	\$1,382	\$1,454	\$1,531	\$1,612	\$1,694	\$7,673	
Spillover			\$935	\$966	\$1,046	\$2,947	
General Fund Loan	\$0	\$0	\$0	\$0	\$0	\$0	
<i>Less Transfers Out:</i>							
Traffic Congestion Relief Fund	(\$678)	(\$602)	\$0	\$0	\$0	(\$1,280)	
Local Street and Road Repairs	\$0	\$0	(\$740)	(\$773)	(\$822)	(\$2,335)	30%
Public Transportation Account	(\$141)	(\$170)	(\$863)	(\$902)	(\$959)	(\$3,036)	35%
TOTAL RESOURCES	\$563	\$682	\$863	\$902	\$959	\$3,969	
CASH AVAILABLE FOR STIP	\$563	\$682	\$863	\$902	\$959	\$3,969	35%

Estimated Impact (change):	2006-07	2007-08	2008-09	2009-10	2010-11	3-Year Total	5-Year Impact
Local Street and Road Repairs			\$127	\$129	\$145	\$400	\$710
STIP (TIF) Impact			\$251	\$258	\$282	\$790	\$1,390
Public Transportation Account (TIF)			\$557	\$580	\$620	\$1,757	\$3,090
Less STA (50% of PTA from TIF)			(\$278)	(\$290)	(\$310)	(\$879)	(\$1,545)
Subtotal - Impact assuming on-going spillover diversion			\$278	\$290	\$310	\$879	\$1,540
Less 50% of spillover (PTA share)			(\$467)	(\$483)	(\$523)	(\$1,474)	(\$2,600)
Net PTA STIP Impact			(\$189)	(\$193)	(\$213)	(\$595)	(\$1,060)
STA (50% of PTA from TIF)			\$278	\$290	\$310	\$879	\$1,545
STA (50% of spillover)			(\$467)	(\$483)	(\$523)	(\$1,474)	(\$2,600)
Net STA Impact			(\$189)	(\$193)	(\$213)	(\$595)	(\$1,055)

Negative impact to STIP in TIF if spillover is less than 1/7 of the fuel sales tax revenue.

Assumptions:

Revenues from the General Fund based on the 2006 Fund Estimate Augmentation

Spillover revenues in 2009-10 & 2010-11 estimated based on DOF forecasts.