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## Transportation funds gouged

### 'The governor proposes to rob \$1.1 billion from public transit'

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Inside Bay Area

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Attempting to revamp a decades-old tax-control provision, Gov. Arnold Schwarzenegger has drawn fire from public transportation advocates who like the idea of high gas prices automatically pumping hundreds of millions of dollars into buses, trains and ferries.

Using an arcane formula that weighs gasoline sales tax revenue against sales tax on other goods, a 1971 law negotiated with then-Gov. Ronald Reagan diverts any additional tax receipts into a fund for public transportation.

True to his reputation, Reagan demanded rigid controls on the 4.75-percent tax on gasoline feeding the state's general fund and a companion quarter-cent general sales tax for counties' transportation needs. If the gas tax outpaced the sales tax, the excess wouldn't be spent willy-nilly out of the general fund. Instead, that "spillover," would go toward public transportation and in some cases, street repair.

Recent gas price spikes have pumped hundreds of millions of dollars into that fund, resulting in a windfall for public transit of \$624 million in the current 2006-2007 fiscal year budget.

The projected spillover for the 2007-2008 budget is \$1.1 billion.

The governor's new budget would spend \$340 million of that on debt service for seismic work on bridges. The budget, which must be approved by two-thirds of the state Legislature, also allocates \$144 million to providing transportation to centers for the developmentally disabled.

The rest of the spillover money —

\$627 million — would pay for home-to-school transportation. That would only be the beginning of a more permanent funding shift, explained H.D. Palmer, deputy director of the state Department of Finance.

But the spillover money is one of the biggest funding sources public transportation has, transit advocates say. The governor's proposal is simply trying to play one major area of need — education — against that of transit-dependent Californians.

"If the Legislature doesn't strongly act against this proposal, there are going to be devastating impacts against working families, youth, the elderly and low-income people from further reductions in service," said Carli Paine, transportation program director for the Oakland-based Transportation and Land Use Coalition.

Her group joined the California Public Interest Research Group and received some initial support from state Assembly Speaker Fabian Nunez.

"If you ride a bus or a subway ... then this budget will hit you hard," Nunez said. "The governor proposes to rob \$1.1 billion from public transit. At a time when gasoline prices are high, our highways are jammed and we're trying to reduce global warming, this makes no sense."

Palmer said the governor's budget would put plenty of money into public transportation, but the money would come from more stable sources.

About \$528 million would come from the state's Traffic Congestion Relief Program, which voters guaranteed funding by passing Propositions 42 and 1A. Additional \$185 million is budgeted to pay public transit operating expenses and \$69 million would cover capital costs.

And then there is the \$3.6 billion for public transportation projects that will come from the \$20 billion Proposition 1B transportation bond, Palmer noted.

But transportation advocates said the proposed budget does two things they feared leading up to the November election: It finds a way to siphon money away from transportation that Proposition 1A was supposed to protect and it falls back on the transportation bond as a reason to curtail annual transportation funding.

"A lot of us fought for the transportation bond on the assumption that it wasn't just moving money around," said Assemblyman Mark DeSaulnier, D-Martinez, a former member of the Metropolitan Transportation Commission.

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