

NEWS RELEASE

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Edmund G. Brown Jr.
Governor

Brian P. Kelly
Secretary

Transportation Leaders Applaud Historic Investment in Public Transportation and Connecting California

SACRAMENTO—Following Governor Edmund G. Brown, Jr.'s signing of the 2014-2015 Budget Act, California Transportation Agency Secretary Brian Kelly joined with transportation leaders around the state to praise the largest ongoing transportation investment in decades.

“This year’s budget marks the first time in decades that California has made a long-term commitment to improving transportation and connecting California’s transportation systems in a meaningful way,” California State Transportation Agency Secretary Brian Kelly said. “The Governor’s budget includes significant, ongoing investments in public transportation and multimodal transportation that will help connect California and improve quality of life for years to come.”

The 2014-15 budget includes a \$1.7 billion transportation funding package including:

- \$300 million in ongoing funding for new and existing public transportation,
- \$130 million for public transit and building sustainable communities through affordable housing and active transportation projects,
- \$351 million in general fund loan repayments to help preserve and maintain California roads,
- \$160 million in bond funding for intercity rail, and
- \$793 million in bond funding for transit capital investment.

“As owners and operators of the local component of California’s transportation system, California counties greatly appreciate the investment in local streets and roads, regional transportation plans and transit—all critical to achieve a multi-modal, seamless transportation system,” said Matt Cate, Executive Director, California State Association of Counties. “The Governor remains committed to investing in our transportation system with a clear focus on reducing greenhouse gas emissions. California counties fully support the regional transportation plans that are expected to ultimately achieve that goal.”

“We are pleased to see significant infrastructure investments included in the final budget, including for transportation. Cities are ready to put the transportation funds to work quickly,” said Chris McKenzie, Executive Director, League of California Cities. “In addition, the

continuous appropriation of Cap and Trade Auction Revenues for transit, affordable housing and sustainable communities will fund critical projects in communities across the state. We appreciate the Governor's recognition of the great need for these important infrastructure investments."

The budget act appropriates 40 percent of future cap and trade auction proceeds to transit and rail investment. This includes 25 percent of proceeds for the high-speed rail project and 15 percent for bus and rail operators across California. Among many projects expected to benefit the state's rail investment is the extension of tracks at Los Angeles Union Station, in part with \$175 million in Prop 1A high-speed rail funding, to increase rail capacity up to 50 percent. State funding also provided \$115 million in connectivity funds to help build a light rail connection for a one-seat ride throughout Los Angeles County and over \$600 million for the Caltrain electrification project.

"We applaud the Legislature and the Governor for approving a committed, ongoing funding source for the implementation of SB 375 through the Sustainable Communities program. California's regions, who are responsible for developing innovative strategies to lower greenhouse gas emissions and meet the requirements of SB 375, look forward to working with the Administration to establish guidelines and a regionally balanced distribution method for the funds," said Bill Higgins, Executive Director, California Association of Councils of Governments, which represents California's Councils of Governments, including the state's regional and metropolitan planning organizations.

"Today Governor Brown signed into law a state budget and a landmark expenditure plan for state Cap and Trade revenues, including significant new resources to enhance public transportation services for all Californians and reduce greenhouse gas emissions from the transportation sector," said California Transit Association executive director Joshua W. Shaw. "The plan provides formula funding for transit operations and capital programs, ensuring predictability to transit agencies statewide; makes transit funding available for a statewide competitive program to be managed by the state's transportation agencies, thus ensuring the most innovative projects rise to the top; funds the implementation of regional sustainable communities strategies that will make local transit services more effective and efficient; and, incentivizes the commercialization of low-carbon transit vehicle technologies."

"This package," continued Shaw, "including progress towards integrating local and regional rail services into the state's high-speed rail transit system, offers an historic investment opportunity for public transportation and our communities depending on enhanced and cleaner mobility options. Expanding and improving transit service will provide significant greenhouse gas emissions reductions everywhere in California, especially in disadvantaged communities throughout the state, helping achieve the goals of the California Global Warming Solutions Act of 2006. The Governor also called for, and signed into law today as part of the budget, an appropriation of the remaining transit funds from Proposition 1B; our transit systems will

immediately put those dollars to work, purchasing newer, cleaner buses and expanding rail transit systems all over the state.”

“Thanks to Governor Brown, State Senate President Pro Tem Darrell Steinberg, Assembly Speaker Toni Atkins and other key legislative leaders, California now has a long-term plan for Cap and Trade expenditures that addresses the funding needs of critical state, regional and local public transit services so that we can improve the transit network and get more people out of their cars,” said Michael J. Scanlon General Manager/CEO, San Mateo County Transit District. “The resources allocated to the Peninsula will be used for our most pressing and immediate needs: modernizing Caltrain service and continuing to improve SamTrans bus service. Through these efforts we will reduce greenhouse gas emissions and take vehicles off already congested roads.”

“All Californians need to thank Governor Brown and legislative leadership for crafting this multi-faceted funding program designed to target clean air resources and transit investments where they’re needed most,” said Donna DeMartino, general manager/CEO of the San Joaquin Regional Transit District, and chair of the California Transit Association. “Our Association’s leadership, its member public transit systems and its private sector industry suppliers look forward to working with Governor Brown’s Administration and the Legislature to move this important program forward and ensure effective transit projects and services are delivered to the millions of Californians who need and rely on public transit.”

This budget also directly supports the recommendations of the Transportation Agency in the California Transportation Infrastructure Priorities initial report issued by the agency earlier this year, including calls for dedicated, pay-as-you-go funding sources for transportation.

Dedicated funding sources allow construction projects to leverage a funding commitment to obtain more project support. Last week, high-speed rail pointed to letters from potential private sector investors who express interest subject in the project if there were a dedicated, long-term funding source. The continuing commitments for high speed rail and transit in this year’s budget will help secure a multimodal transportation system to help connect Californians for decades.

“The commitment by the Governor and the Legislature to provide ongoing cap and trade funding to high-speed rail means we can accelerate our program to connect California and transform passenger rail in the state,” said Jeff Morales, CEO of the California High-Speed Rail Authority. “This budget enables us to continue work on the high-speed rail backbone in the Central Valley and advance the program on multiple segments, while stepping up projects with local and regional partners, leveraging new funding sources and attracting private investment.”

Additional details on the 2014-15 state budget are available here: <http://www.ebudget.ca.gov/>

The California State Transportation Agency, which launched July 1, 2013, is responsible for transportation-related departments within the state: Board of Pilot Commissioners, California

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Highway Patrol, California Transportation Commission, Department of Transportation, Department of Motor Vehicles, High-Speed Rail Authority, New Motor Vehicle Board and Office of Traffic Safety. The Agency was formed as part of Governor Brown's Government Reorganization Plan, which became law in 2012. For more information, visit www.calsta.ca.gov. You can view updates on our blog at <http://calstablog.wordpress.com>.

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