

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 10, 2011
POSITION: Oppose
SPONSOR: Bay Area Rapid Transit

BILL NUMBER: AB 845
AUTHOR: F. Ma

BILL SUMMARY: Transportation: Bond Funds

This bill would codify the requirements included in the Proposition 1A conventional rail guidelines established by the California Transportation Commission (CTC) for \$760 million of Proposition 1A bond funds.

FISCAL SUMMARY

This bill would result in no additional costs to the state.

In 2010-11, the Legislature appropriated \$234 million for positive train control (PTC) and capacity enhancement projects. Governor Schwarzenegger vetoed \$133 million because the projects did not provide a direct link to the high-speed rail system. This left \$101 million for PTC projects. In 2011-12, the Legislature again appropriated \$262 million for PTC and capacity enhancement projects and again the Governor vetoed all but \$28 million for PTC projects for similar reasons and directed the transit agencies to develop a project plan showing how eligible projects link to the high-speed rail system or help in its construction.

COMMENTS

The Department of Finance is opposed to this bill because it codifies point-in-time CTC guidelines for the distribution of Proposition 1A bond funds that do not fully meet the Administration's policy goals. The bill excludes the CTC guideline that requires it to give priority to projects that provide direct connectivity to the high-speed rail system, a key point raised in the Governor's veto. The CTC guidelines do not encourage joint projects, such as dual-use stations, that could help construct the high-speed rail system.

Under current estimates, Phase I of the high-speed rail project is expected to cost \$43 billion. Only \$9 billion in bond funds is directly available and most of the remainder of the funding is still to be secured. Thus, maximizing the utility of this portion of the bond to meeting that funding gap is essential

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
		LA	PROP		2011-2012		2012-2013		
	CO	98	FC	FC	FC	FC	FC		
2600/Trans Comm	SO	No			-----	See Fiscal Summary	-----		6043
<u>Fund Code</u>	<u>Title</u>								
6043	High - Speed Passenger Train Bond Fund								

Analyst/Principal (0753) M. Robinson	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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