



# Orange County Transportation Authority State Budget Update



Board Meeting  
January 11, 2010

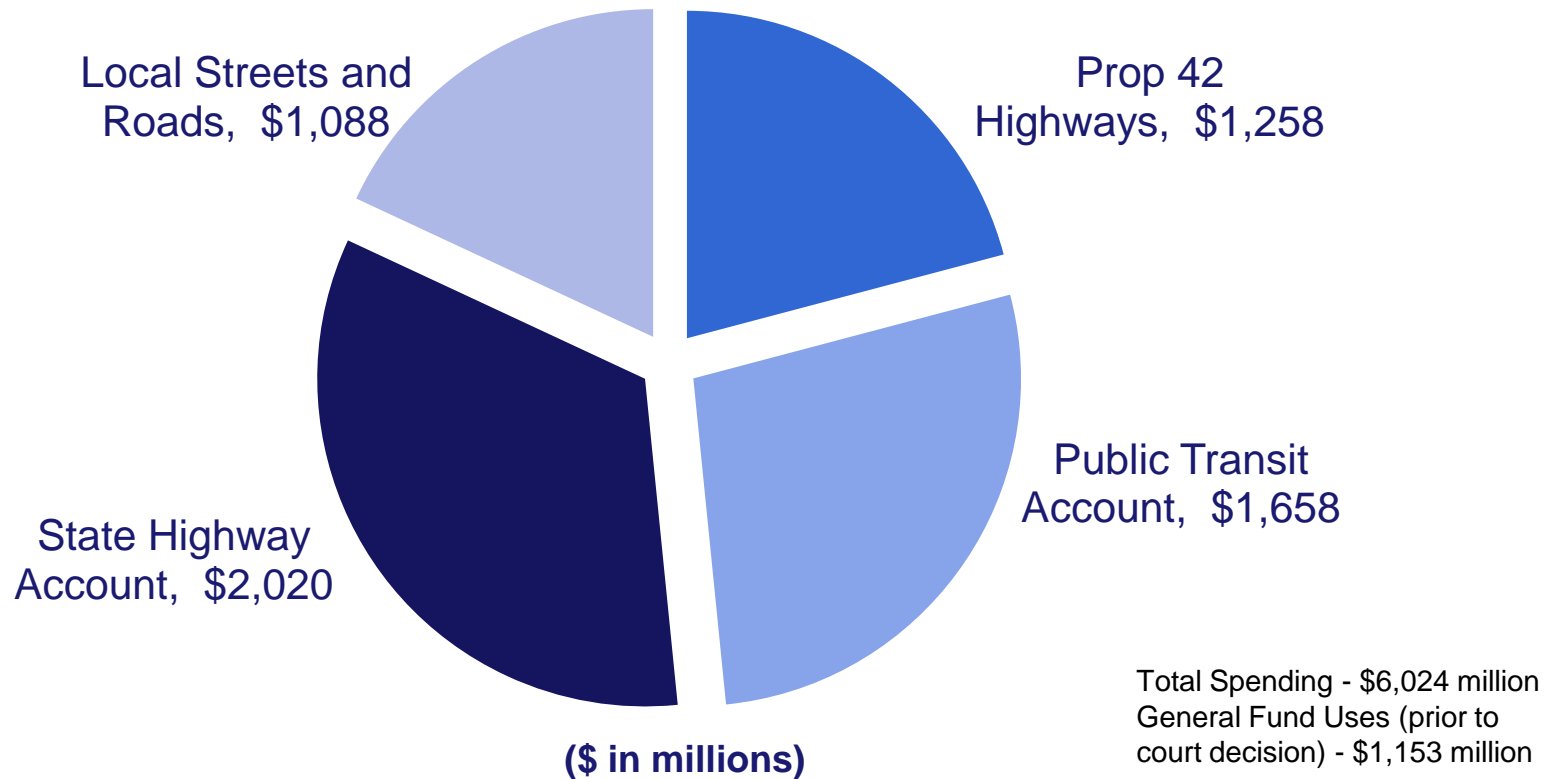
# Governor's Budget Proposal

- Estimated \$19.9 billion General Fund shortfall
  - \$6.6 billion FY2009-10
  - \$13.3 billion FY2010-11
- Budget proposal attempts to close gap
  - \$8.5 billion expenditure reductions
  - \$6.9 billion increased federal assistance
  - \$4.5 billion fund shifts

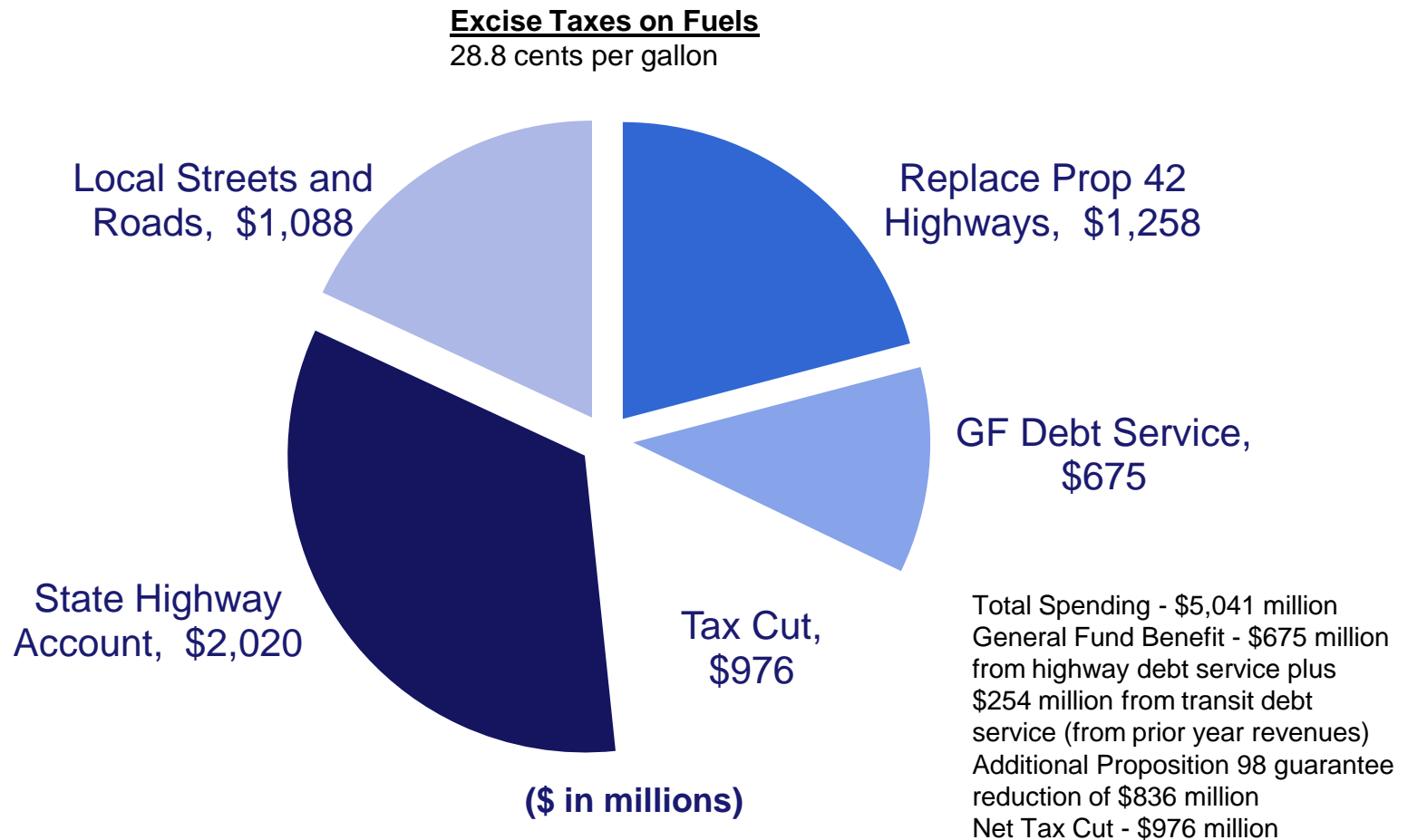
# Existing Transportation Fuel Taxes

**Excise Taxes on Fuels**  
18 cents per gallon

**State Sales Taxes on Fuels**  
6% or about 16 cents per gallon



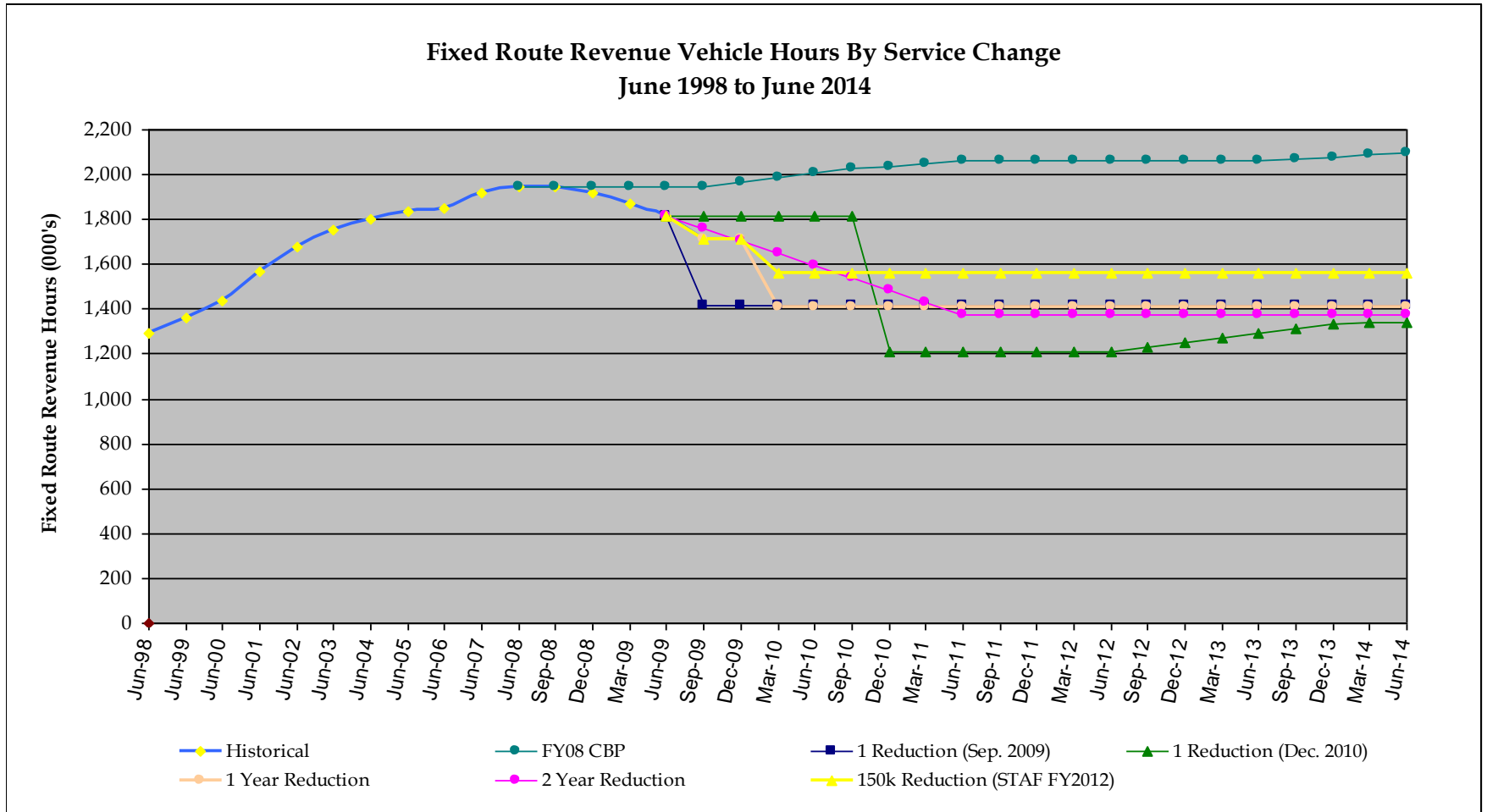
# Proposed Transportation Revenues



# Nov 9<sup>th</sup> - General Assumptions

- Revenue
  - Restoration of State Transit Assistance Program
  - Sales tax revenue growth rates
    - FY 2010 @ - 7.5%, FY 2011 @ 1.1%, FY 2012 @ 6.2%
    - FY 2010 actual sales tax \$5.2 million less than budgeted through October
  - Fare revenue
    - Fare increases in FY 2011 and FY 2013 then every four years thereafter
    - FY 2010 actual fare revenue \$1.2 million less than budgeted through September
  - Alternative fuel tax credit expires in December 2009
  - CURE funds transferred for bus operations
  
- Restructure bus service delivery model
  - Develop a delivery model to suit affordable levels of service
  - Determine proper mix of contracted and directly operated service
  - Match administrative costs and staffing levels to service levels
  - Incorporate impacts of new transit services allowable through Renewed Measure M (M2)
  
- Labor
  - Upcoming collective bargaining process will aim to control costs
  - Administrative reductions to match with service reductions

# Scenario Overviews



# Cash Flow & Use of Reserves

<b>Fiscal Year</b>	<b>09/10</b>	<b>10/11</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>
Cash balance - beginning	\$ 81	27	12	36	54
<b>Revenue</b>					
Ongoing revenue	221	239	268	287	316
State Transit Assistance Funds	-	-	18	19	20
American Recovery and Reinvestment Act (ARRA) funds	50	3	-	-	-
Commuter & Urban Rail Endowment (CURE) transfer	-	30	25	13	-
	271	272	311	319	336
<b>Expenses</b>					
Total operating expense	257	253	258	267	276
Capital expenditures	38	24	10	17	68
Bristol Street Widening Project	31	10	19	17	-
	326	287	286	301	345
Cash balance - ending	27	12	36	54	45

\* Dollars in millions

# Next Steps

- Continue to monitor State budget proposal, sales taxes, fare revenues, and alternative fuel tax credit
- Work with Transit Advocates (CTA, State, Regional and Local Advocates) to obtain some recurring funding for transit operations
- Prepare FY2010-11 Budget implementing 8 percent reduction in recurring costs
- Prepare FY2010-11 Comprehensive Business Plan
- Adjust bus service reduction scenario as necessary