



**CALIFORNIA  
TRANSIT  
ASSOCIATION**

1415 L Street, Suite 200 • Sacramento, CA 95814

Phone (916) 446-4656 • FAX (916) 446-4318

E-Mail: [info@caltransit.org](mailto:info@caltransit.org)

[www.caltransit.org](http://www.caltransit.org)

**FOR IMMEDIATE RELEASE**

**Court hearing scheduled for  
Tuesday, June 16 at 2 p.m.**

**CONTACT:** Jeff Wagner,  
Communications Director  
(916) 752-4150

**Transit Advocates Get Their Day in Court**  
*Testimony set for today in Association's appeal  
of Superior Court ruling on funding raids*

SACRAMENTO – Oral arguments are scheduled for today in a court case that public transportation advocates hope will put an end to the massive raids on transit funding that have plagued state budgets for more than a decade.

The Third District Court of Appeals will hear testimony this afternoon in *Shaw v. Chiang*, the California Transit Association's lawsuit filed nearly two years ago in response to \$1.26 billion in transit funds being diverted as part of the 2007-08 State Budget. The Association argued that the funding raid violated a series of statutory and constitutional amendments enacted by voters via four statewide initiatives dating back to 1990.

"It's too late now to get that money back, but that was only part of the motivation for filing the suit in the first place," explained Joshua Shaw, Executive Director of the Association and lead plaintiff in the case. "The actions on the part of the Governor and the Legislature in that year's budget agreement opened the door for the evisceration of public transit funding, in blatant disregard for the will of the voters."

The initial Superior Court decision, issued in January of 2008, ruled that the 2007-08 budget violated the law by diverting \$409 million from the Public Transportation Account (PTA) to reimburse the General Fund for past debt service payments on Proposition 108 bonds. The ruling declared that the shift "does not serve any transportation planning or mass transportation purpose." At the same time, however, the Court permitted an additional \$779 million transfer from the PTA to cover home-to-school busing and other programs that public transit advocates argued did not meet the definition of "mass transportation" as expressed in Proposition 116, which voters approved with the intent of establishing the PTA as a trust fund to support true public transportation service.

Just two weeks after the court's ruling, the Legislature re-instated the \$409 million worth of cuts by re-configuring the law on which the court's decision was based, meaning that the entire

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\$1.259 billion rightfully intended for public transportation funding had been raided. The Association filed its appeal of the Superior Court decision last September.

More than \$5 billion in voter-dedicated funding for public transit has been diverted this decade to patch holes in the state's General Fund, \$3 billion of that coming in the last two budget cycles alone. The continued attack on transit funding culminated in February's 2008-09 budget agreement that eliminated the State Transit Assistance (STA) program. Since its inception in the early 1970s, the STA had been the only source of state funding for day-to-day transit operations. California is now one of only 13 states that provide no transit operations funding.

"Volatile gas prices and the resulting record-breaking increases in transit ridership have created an unprecedented opportunity to reconfigure our spending priorities to reflect 21<sup>st</sup> century economic sensibilities," said Shaw. "The Legislature and the Governor have squandered that opportunity through these illegal funding raids."

"But aside from that, this lawsuit is an appropriate action from a number of other big picture perspectives," he continued. "Four times since 1990 – and with no less than 61 percent approval – voters have repeatedly and overwhelmingly expressed their demands for transit funding, and they have been repeatedly betrayed by those responsible for crafting a state budget."

"Furthermore, this suit strikes at the heart of the shenanigans that have been employed year after year in putting together the state budget. We all know the system is broken, and we all know the usual parade of juggling acts and accounting gimmicks isn't going to fix it. With a positive ruling for transit, the court has the opportunity to put an end to the gimmicks and instigate the type of substantive budget reform that California so desperately needs."

For more background on the case, visit [www.caltransit.org/lawsuit](http://www.caltransit.org/lawsuit)

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