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REPORT TO COUNCIL
City of Sacramento

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Staff Report
July 22, 2008

Honorable Mayor and
Members of the City Council

Title: Proposed Gang and Youth Violence Prevention Measure

Location/Council District: Citywide

Recommendation: This report is for Council discussion and direction to staff.

Contact: Cassandra Jennings, Assistant City Manager, 808-8888

Presenters: Cassandra Jennings, City Manager's Office, 808-8888

Department: City Manager's Office

Division: N/A

Organization No: 0310

Description/Analysis

Issue: On June 24, 2008, Sacramento County Supervisor Roger Dickinson provided an informational briefing to the City Council on a proposed countywide ¼ cent sales tax increase to fund gang and youth violence prevention efforts. Supervisor Dickinson has since informed the City he will not ask the County Board of Supervisors to consider the proposal but suggested it could be adapted to be city specific. Mayor Fargo requested staff place a City-only version of the measure on the agenda for City Council discussion and direction to staff.

Policy Considerations: Youth development and youth issues are a high priority for the City Council. Last year, the Council approved funding to establish an Office of Youth Development to provide focus on coordination of youth issues.

Environmental Considerations: None.

Rationale for Recommendation: This report is for Council discussion and direction.

Financial Considerations: Voter approval of a ¼ cent sales tax increase would provide approximately $16 million annually in new funding to the City for gang and youth violence prevention programs.

Emerging Small Business Development (ESBD): None.

Respectfully Submitted by: Cassandra H. B. Jennings
Cassandra Jennings
Assistant City Manager

Recommendation Approved:

for Cassandra H. B. Jennings
Ray Kerridge
City Manager

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Background

On June 14, 2008, Supervisor Roger Dickinson presented an informational briefing to the Sacramento City Council on a proposed countywide ¼ cent sales tax increase to fund gang and youth violence prevention activities. Supervisor Dickinson has since informed the City he will not ask the County Board of Supervisors to consider the proposal but suggested it could be adapted to be city specific.

If adapted to be specific to the City of Sacramento and approved by voters, the measure would generate approximately $16 million annually in new funding for law enforcement, gang prevention, after-school and job training programs. The tax would be considered a "special tax" because the tax proceeds would be dedicated for specific purposes. Special taxes require a 2/3 vote for passage under Article XIIIc of the California Constitution. If approved, the sales tax rate in the City of Sacramento would increase from 7.75% to 8.0%.

All revenues generated by such a measure would be deposited into a special fund and required to be used exclusively for the programs identified in the measure's Expenditure Plan (see Attachment 2). As drafted, at least 60% of the funds are required to be expended for the purpose of prevention and intervention. The measure also requires evaluation metrics be developed to evaluate the effectiveness of the programs funded by the measure. Other key elements of the measure include:

- The measure would have a 30 year sunset
- An independent taxpayers oversight committee would be established to audit and evaluate the expenditure of the funds
- Tax proceeds would not be allowed to supplant existing levels of funding
- An annual audit would be required

Attachment 2

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE ADDING CHAPTER 3.26 TO THE CITY CODE OF THE CITY OF SACRAMENTO TO ADD THE GANG AND YOUTH VIOLENCE PREVENTION ACT OF THE CITY OF SACRAMENTO AND TO LEVY A TRANSACTION AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO

SECTION 1 Chapter 3.26 is hereby added to Title 3 of the City Code of the City of Sacramento to read as follows:

CHAPTER 3.26

GANG AND YOUTH VIOLENCE PREVENTION ACT OF THE CITY OF SACRAMENTO

3.26.010 Title.

This chapter shall be known and may be cited as the "Gang and Youth Violence Prevention Act of the City of Sacramento"

3.26.020 Purpose.

A. The people of the City of Sacramento make the following findings and declare their purpose in enacting the act is as follows:

(1) Gangs and youth violence are a serious problem in Sacramento. More young people were killed in Sacramento County in 2007 than in any other year in the past decade.

(2) In many parts of Sacramento, children as young as eight years old must join a gang to travel to and from school without being harassed or assaulted.

(3) There are twice as many gang members and five times as many gangs today as there were 20 years ago. Today, there are more than 65 gangs and over six thousand active gang members in Sacramento.

(4) It costs approximately $75,000 a year to place a juvenile in detention or in prison. It is far less expensive in the long-run to provide additional funds for anti-gang and after-school programs that keep juveniles out of trouble and prevent them from joining gangs.

(5) This measure would establish a one quarter of one percent (0.25%) sales and use tax to provide additional funding for such purposes as law enforcement, gang prevention, after-school and job training programs.

(6) This measure can fund in-school and after-school anti-gang, mentoring and job-training programs recognized as successful in preventing anti-social behavior.

(7) Funds from this measure can add law enforcement officers who will work with schools, businesses and neighborhoods to reduce and prevent youth and gang violence.

(8) Our neighborhood schools and classroom teachers are at the center of the fight against gangs. This measure will help make our schools and surrounding neighborhoods gang free zones by funding such items as safe passage programs, expanding classroom curriculum and after-school programs to educate young children about the dangers of gangs, and providing teachers and school counselors with the resources to prevent at-risk students from joining gangs.

(9) It is the purpose of this Chapter to foster, sustain and develop evidence-based best practices to reduce and prevent youth and gang violence.

(10) It is the intent of this Chapter to encourage collaboration and cooperation among agencies, organizations and jurisdictions to maximize the beneficial use of the funds generated by this Chapter.

(11) Effective anti-gang intervention, prevention and enforcement efforts will create safer neighborhoods and increase the employability of youth benefiting the local economy and the fiscal health of local government.

B. This Chapter is adopted to achieve the following objectives, and its provisions are to be interpreted in order to accomplish such objectives:

(1) To impose a supplemental retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.5 of Part 1.7 of Division 2 which authorize the City to adopt this tax ordinance. This ordinance shall be effective if two-thirds of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

(2) To adopt a supplemental retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

(3) To adopt a supplemental transactions and use tax ordinance that imposes a tax and provides a measure that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

(4). To adopt a supplemental transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.26.030 Contract with State.

A. Prior to the operative date of this Chapter, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the supplemental Transactions and Use Tax levied by this Chapter.

B. If the City shall not have contracted with the State Board of Equalization prior to the

operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.26.040 Supplemental Transactions and Use Tax.

For the privilege of selling tangible personal property at retail, a supplemental tax is hereby imposed upon all retailers in the City of Sacramento at the rate of one-quarter of one percent (0.25%) of the gross receipts of any retailer from the sale of all tangible property sold at retail in the City of Sacramento on and after the operative date of this Chapter.

A supplemental excise tax is hereby imposed on the storage, use or other consumption in the City of Sacramento of tangible personal property purchased from any retailer on and after the operative date of this Chapter for storage, use or other consumption in the City at the rate of one-quarter of one percent (0.25%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

3.26.050 Ballot Proposition.

Pursuant to Revenue and Taxation Code section 7285, the supplemental Retail Transactions and Use Tax measure shall be placed on the November 4, 2008, general election ballot. If less than two-thirds of the qualified voters voting on the supplemental Retail Transactions and Use Tax measure approve the measure during the November 4, 2008, election, the tax shall not be imposed.

3.26.60 Expenditure Plan and Finance Director Report

Pursuant to the requirements of Government Code §50075.1, the City of Sacramento Gang and Youth Violence Prevention Plan, hereinafter referred to as the "Expenditure Plan", a copy of which is attached as Exhibit "A" and incorporated by reference, constitutes the statement of the specific purposes for which the revenues generated by this Chapter may be expended. The expenditure of the revenues generated by this Chapter shall be restricted to the purposes stated in Exhibit "A." The revenues generated by this Chapter shall be deposited into a special fund and shall be used exclusively for programs identified in the Expenditure Plan. The Finance Director shall prepare and file with the City Council reports meeting the requirements of Government Code §50075.3.

C. No less than sixty percent (60%) of monies received from the tax imposed pursuant to this Chapter shall be expended annually for the purposes of prevention and intervention as set forth in the Expenditure Plan.

3.26.080 New Funds to Supplement, and Not to Supplant, Existing Funding

Funds allocated and appropriated pursuant to this Chapter shall be used to supplement existing levels of federal, state and local funding and not to supplant existing levels of funding.

3.26.090 Creation of Independent Taxpayers Committee

There is hereby established a permanent citizens' advisory committee to be called the "Independent Taxpayers Committee" (hereinafter Committee") which shall annually review the revenues, expenditures and delivery of projects and programs financed by revenues generated under this Chapter. The Committee membership shall consist of five members appointed by the Mayor with the approval of the Council. One member of the Committee shall have a minimum of ten years experience in law enforcement, one member shall be a teacher, one member shall be a certified public accountant, one member shall have demonstrated expertise in youth and gang violence prevention and one member shall be a parent of a child who is under the age of 18.

3.26.100 Annual Audit and Program Evaluation

A. The Committee shall annually complete an audit of expenditures from the special fund established pursuant to Section 3.26.060 of this Chapter. The Committee shall annually review and evaluate the effectiveness of programs funded by revenues produced by this Chapter. Programs shall be evaluated according to how effectively they accomplish the purposes of this Chapter, measured according to evaluation metrics developed by the Committee which may include: the number of young people who exit gangs; improved public safety outcomes, such as decreases in incidents of gang-related violence, severity of crimes committed and gang related violence; improved school attendance and increased graduation rates.

B. Annually, the Committee shall establish a budget for the costs of its operation, which shall be subject to Council review and approval. Revenues of the tax established by this Chapter may be used to fund the Committee's operations.

3.26.110 Place of Sale.

For the purposes of the transactions tax levied by this Chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.26.120 Adoption of Provisions of State Law

Except as otherwise provided in this Chapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Chapter as though fully set forth herein.

3.26.130 Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, wherever the State of California is named or referred to as the taxing agency, the name of the City shall be substituted therefor. The substitution, however, shall not be made when the word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California; the substitution shall not be made when the result of that substitution would require action to be taken by or against the City or any agency, officer, or employee

thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Chapter; the substitution shall not be made in those sections, including, but not necessarily limited to, sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or to impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provisions of that code; the substitution shall not be made in Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3.26.140 Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Chapter.

3.26.150 Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax levied by this Chapter the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax levied by this Chapter the gross receipts from:

(1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(2) Sales of property to be used outside the City which are shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

(3) With respect to vehicles, other than commercial vehicles, subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code, by registration to an out-of-county address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his principal place of residence.

(4) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(5) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Chapter.

(6) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Chapter.

(7) For the purposes of subsections (3) and (4), the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There is exempted from the use tax imposed by this chapter, the storage, use or other consumption in the City of tangible personal property:

(1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code, but does not apply to fuel or petroleum products.

(3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Chapter.

(4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Chapter.

(5) For the purposes of subsections (3) and (4), storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect a use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(7) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect a use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

(8) Any person subject to a use tax under this Chapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax, pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.26.160 Amendments.

All amendments subsequent to the effective date of this Chapter to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Parts 1.6 and 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments of Parts 1.6 and 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Chapter; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Chapter.

3.44.170 Sunset.

The tax imposed by this Chapter shall be expire in thirty years, and, thereafter, shall no longer be imposed.

3.26.180 Enjoining Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Chapter, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.26.190 Severability.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Chapter or any part thereof is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portion of this Chapter or any part thereof. The Council of the City of Sacramento hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared invalid.

SECTION 2. Election. An election on the issue of levying a supplemental transactions and use tax pursuant to this ordinance shall be held together with the statewide general election on November 4, 2008.

SECTION 3. Effective Date. This ordinance shall become effective only if the Retail Transactions and Use Tax is approved by a two-thirds vote of the qualified voters of the City of Sacramento voting on the measure at the November 4, 2008, election. If the foregoing condition is satisfied, this ordinance shall become effective immediately upon certification of the results of the November 4, 2008, election regarding the retail transactions and use tax by the City Council. The transactions and use tax levied under this ordinance shall become operative on the first day of the first calendar quarter commencing more than 110 days after the effective date of the ordinance or on such later date as necessary to facilitate collection of the tax by the State Board of Equalization.

Exhibit "A"

CITY OF SACRAMENTO GANG AND YOUTH VIOLENCE PREVENTION ACT

EXPENDITURE PLAN

Monies deposited in the special fund pursuant to the City of Sacramento Gang and Youth Violence Prevention Act shall be used for the following:

1. To hire additional law enforcement personnel whose activities are directed towards youth and gang violence, intervention, prevention and enforcement

2. To establish evidence-based gang prevention and intervention programs, including programs directed toward re-entering offenders and street outreach

3. To establish after-school training programs that teach basic life skills such as work habits, being responsible and being on time

4. To increase apprenticeship programs to provide students with first hand experience in the job market

5. To provide at-risk young adults and school-aged youth with job skills, training and work experience, including, but not limited to, through subsidized employment opportunities

6. To provide funds to local community based organizations that have proven track records of running successful evidence based anti-gang and after-school programs

7. To provide mental health counselors to at-risk students and families to prevent violent behavior

8. To support neighborhood-based programs for after-school and job training for students

9. To provide evidence-based educational and recreational programs for students during school vacations and the summer

10. To expand after-school homework assistance, tutoring and mentoring programs

11. To improve coordination among local school districts, local and county government and local law enforcement to better identify, track and intervene with at-risk students and known gang members and there families

12. To increase law enforcement presence at local schools to assist in prevention and intervention efforts

13. To support evidence-based programs to reduce and prevent domestic violence and child abuse

14. To support evidence-based truancy and dropout prevention and intervention programs

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May 27, 2008

The Honorable Arnold Schwarzenegger
Governor, State of California
State Capitol
Sacramento, California 95814

RE: May Revise – OPPOSE Transit Budget Cuts

Dear Governor Schwarzenegger:

I urge you to reconsider the deep cuts to transit funding contained in your 2008 / 2009 May Revise budget proposal. It is vital that the State's budget provides for both the current and future needs of transit operators and growing communities across our state and appropriately reflect its importance to our state's economy.

Sacramento Regional Transit District (RT) has seen record ridership figures in 2008 with the recent increase in gas prices. Light rail patronage alone is up 43 percent. High gas prices and your Executive Order S-04-08 serve as a reminder of the increased role that transit plays in moving people around the State and our communities' reliance on public transportation. Local and regional land use decisions have been based upon more robust transit options and smart growth principles, which enhance our quality of life, attractiveness of new businesses and residents, and shows responsible stewardship of public trust.

Sacramento Regional Transit Impacts

As it currently stands, your 08 / 09 budget proposal will result in an expected loss of $18 million in State Transit Assistance (STA) funds to RT. This represents a 12 percent reduction in RT's proposed operating budget and comes on the heels of a $14 million loss of state revenue in the current year. The ramifications of reduced Public Transportation Account (PTA) funding to RT are two-fold:

1. PTA funds directed to the STA account are the only State funding source available for vitally needed transit operating expenses. In addition, these funds not only pay for day-to-day operations, but can be used to pay for new capital investments or equipment, like purchasing new clean-fuel buses or construction of light rail extensions.
2. It virtually eliminates funding available for transit capital improvements in the State Transportation Improvement Program (STIP). RT is currently scheduled to receive STIP funding for South Line II (light rail to Cosumnes River College) final design. By reducing PTA funding, the budget proposal has already forced the California Transportation Commission (CTC), which is responsible for distribution of STIP funds, to consider delaying transit STIP funding for up to two years, which will result in higher project costs. The South Line II light rail project costs will increase $10 - $20 million per year due to inflation.

Economic Downturn Has Hit RT Hard

- Sales tax dollars that flow to RT through the Local Transportation Fund (LTF) are down for the third year in a row, resulting in a loss of $14 million compared to earlier projections.
- Local Measure A sales tax is also down for the third year in a row, resulting in an additional $10 million loss in FY09.

Last year's state cuts resulted in RT reducing bus service by 5 percent. This was on top of hiring freezes (over 100 vacant positions), staff travel restrictions, no wage adjustments for administrative and management staff and other cost-containment measures. Unfortunately, many of these cost-saving measures will not be available in FY09, which makes significant additional service cuts unavoidable. At this time, RT is faced with having to reduce service another 10 percent this year.

With an increased focus on the environment (AB 32), transit is a critical part of the solution. Your proposal creates a negative impact on all transit agencies that will ultimately result in less bus and rail service, probable staff layoffs and more cars on the highways. Viable public transit options are critical tools in our state fight against harmful greenhouse gas emissions and are critical tools in meeting federal and state air quality attainment laws.

Considering the State's reduction of $1.3 billion in FY08 to transit statewide, it is clear that transit has disproportionately contributed already to the budget crisis. An additional $1.4 billion cut is simply unfair, not sustainable and counter to our collective objectives. I respectfully request that you dedicate the full Gas Tax Spillover amount (currently calculated at $1.177 billion) for 2008-09 to public transit funding purposes and urge you to protect transit from further reductions. Minimally, a return to the $743 million contained in your January Budget message should be the lowest funding level contemplated.

Thank you for your consideration.

Sincerely,

Michael R. Wiley

Michael R. Wiley
General Manager/CEO

c: Senator Darryl Steinberg
Senator Dave Cox
Senator Mike Machado
Assembly Member Dave Jones
Assembly Member Roger Niello
Assembly Member Ted Gaines
Members, Senate Budget and Fiscal Review Committee
Members, Assembly Budget Committee
Members, Senate Transportation and Housing Committee
Members, Assembly Transportation
Sacramento Regional Transit District, Board of Directors
Josh Shaw, Executive Director, California Transit Association
Jack Molodanof, Holloway Rasmusson & Molodanof