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NEWS RELEASE

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Good News for County Travelers – Approved State Budget Restores Some Money for Transportation

In a turn around from recent years and the Governor's original state budget proposal in January, Governor Arnold Schwarzenegger signed a \$117.3 billion state budget on Monday that will pave the way for major transportation projects statewide. In Santa Cruz County, the approved state budget will fund a variety of projects and may allow construction to begin on the much delayed Highway 1 and Highway 17 Interchange Merge Lanes Improvement Project next year.

Assemblymember John Laird, in his capacity as Chair of the Assembly's Budget Committee, was instrumental in crafting the budget that was approved by the State Senate and Assembly last week and sent to the Governor for signature.

Over the past several years, \$5 billion in state transportation funds has been diverted from transportation projects to fill gaps in the State's General Fund. However, statewide coalitions of transportation and elected officials have helped ensure that funds from the state's portion of the sales tax on gasoline will be dedicated to transportation in Fiscal Year 2005/2006, as mandated by California voters through Proposition 42 in 2002.

These Proposition 42 revenues are projected to total \$1.3 billion statewide this year. The funds will be made available to projects programmed in the State Transportation Improvement Program (STIP) and Traffic Congestion Relief Program (TCRP) that have been waiting for the funds for several years, as well as to cities and counties for general street and road maintenance.

For Santa Cruz County, Proposition 42 funds in the state budget will provide over \$1.5 million to fix pot holes and make repairs to local streets, as well as some funds for transit service in the region. Local transportation officials are optimistic that the restoration of these funds will allow the Santa Cruz County Regional Transportation Commission's free congestion-relieving tow truck service, the Freeway Service Patrol, to continue to clear accidents and provide motorist aid during commute hours. The funds will also give a breath of new life to projects such as the Graham Hill Road safety project near Roaring Camp and Amesti Road Reconstruction project. The budgeted funds may also mean that Santa Cruz Metro will be able to move forward with Right-of-Way Acquisition work for the planned rehabilitation of the Metro Bus Center (Pacific Station) in downtown Santa Cruz, a joint project with the City of Santa Cruz's Redevelopment Agency.

The restoration of the Proposition 42 funds also increases the probability that the California Transportation Commission will finally release state transportation funds to the largest transportation project in the region, merge lanes at the Highway 1/17 interchange. According to Caltrans District 5, if the California Transportation Commission approves its funding request later this year, the project might be ready to break ground next Spring.

Notably, the approval of the state budget only provides a one-year commitment of state funds for transportation. Payback of prior transportation fund loans to the General Fund are slow coming and severe funding gaps remain for local road maintenance and other major transportation projects in the region, such as the Highway 1 Widening/Carpool Lane project.

For additional information on the adopted FY05/06 State Budget visit:

http://www.dof.ca.gov/HTML/BUD_DOCS/LatestBdgtInfo.htm

For additional information on Santa Cruz County projects and the Santa Cruz County Regional Transportation Commission visit www.sccrtc.org.

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