



SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

1523 Pacific Ave., Santa Cruz, CA 95060-3911 • [831] 460-3200 FAX [831] 460-3215 EMAIL info@sccrtc.org

July 18, 2008

Assemblyman John Laird
California Legislature
State Capitol - Room 6026
Sacramento, CA 95814

Re: Oppose Diversion of Transportation Funds to the State General Fund

Dear Assemblyman Laird:

On behalf of the Santa Cruz County Regional Transportation Commission (RTC), I urge you to reject any proposals that would divert the state sales tax on gasoline (Proposition 42 funds) to the State General Fund. These funds are critical to transportation projects in Santa Cruz County.

The RTC fully understands the difficulty of negotiating the state budget this year. However, borrowing Prop. 42 funds will delay critical projects, significantly increasing costs, and do nothing to solve the structural State Budget deficit.

- Borrowing gasoline tax funds that must be repaid in three years – with interest – will plunge the state further into debt.
- Voters overwhelmingly (77%) passed Prop. 1A just two years ago, sending an unequivocal mandate that voters do not want the state raiding transportation funds.
- Diverting Proposition 42 funds would delay and increase the cost of many priority transportation projects.
 - Pot Hole Repairs: Faced with their own budget woes, local jurisdictions have a significant backlog of transportation improvement projects that rely upon multiple funding sources. Without gas tax funds, many projects will be delayed or killed altogether.
 - Transit: Given recent increases in ridership on Santa Cruz Metro, any reduction in funds to the Public Transportation Account (PTA), either from spillover and/or Proposition 42 revenues, would greatly impact Santa Cruz County residents. Metro needs these funds to replace buses, improve transit stops, and address other capital needs.
 - Highway 1 HOV Lane Environmental Document: The RTC is scheduled to release the Draft EIR this year. If the necessary STIP funds are not available to complete the document, it could be delayed, increasing the cost of the document \$3-5 million.

Again, we fully appreciate the difficulty of addressing this difficult budget. But raiding transportation funds is not the solution.

Sincerely,

George Dondero
Executive Director

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