



# BOARD OF SUPERVISORS

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25 COUNTY CENTER DRIVE, SUITE 200 - OROVILLE, CALIFORNIA 95965  
TELEPHONE: (530) 538-7631

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June 17, 2009

TO: The Honorable Sam Aanestad  
California State Senate  
State Capitol, Room 3063  
Sacramento, CA 95814

The Honorable Dan Logue  
California State Assembly  
State Capitol, Room 2002  
Sacramento, CA 95814

The Honorable Jim Nielsen  
California State Assembly  
State Capitol, Room 6031  
Sacramento, CA 95814

## **Re: Reject Irresponsible Budget Raids of Transportation Funding**

On behalf of Butte County, we urge you to reject any proposals that would raid the local share of the gas tax from the Highway User Tax Account (HUTA). The Budget Conference Committee took action on June 11<sup>th</sup>, 2009 to raid local transportation revenues with devastating consequences for job loss and economic recovery in the state.

The action would "take" \$986 million of the local share of the gas tax from the HUTA to pay for general fund bond debt service in Fiscal Year 2009-10. The Conference Committee also took action to redirect \$745 million of the local share in Fiscal Year 2010-11. This action does not include paying back these monies to cities and counties and there is a shared concern that this will result in a permanent loss of this local portion of the gas tax.

In addition, the Department of Finance has proposed to suspend the first two quarters of the local portion of Proposition 42 in Fiscal Year 2009-10, equivalent to another \$288 million. Thus, the total loss to transportation at the local level would be more than \$2 billion with half of that a reduction to counties.

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COUNTY OF BUTTE  
PUBLIC WORKS DEPT.

At times of economic downturn, public investment in infrastructure can provide a significant spark to the economy as recognized by the federal government in passing the recent American Recovery and Reinvestment Act. This proposal runs completely contrary to the federal efforts – negating the benefits at the local level.

It is estimated that this loss of infrastructure investment would eliminate \$10 to \$14 billion in economic activity. Transportation dollars feed the local, state and country's economic engine. This is not the time to strip away transportation dollars.

Here's a sample of the impacts of raiding these transportation funds:

- Job losses will be in the thousands.
- Additional job losses will occur in the private sector, including in the hard hit construction industry and with material providers.
- Mobility and safety needs of the public will be severely compromised.
- Loss of federal funds due to the lack of match available to keep projects moving.
- The current revenue shortfall for preservation of the local system is already \$71 billion over the next decade. Costs to taxpayers to fix roads will grow exponentially.

We fully understand the difficulty of negotiating the state budget this year. However, borrowing transportation funds is an affront to the voters of California and will cause irreparable harm to our state and local transportation systems and economies.

Sincerely,



Bill Connelly, Chair  
Butte County Board of Supervisors

- cc. Butte County Board of Supervisors  
Gregory G. Iturria, Interim Butte County Chief Administrative Officer  
Mike Crump, Butte County Public Works Director  
Paul Yoder  
Kiana Buss, CSAC