



BOARD OF SUPERVISORS

June 24, 2009

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Subject: **STRONG OPPOSITION TO TWO-YEAR REDIRECTION OF LOCAL GAS TAX REVENUES**

Alameda County strongly opposes the State's proposal to redirect \$1.7 billion of the local share of the HUTA revenues for a two-year period (\$986 million in FY2009/10 and \$745 million in FY2010/11) to fund shortfalls in the General Fund with no intention of repayment. As County officials, we acknowledge that cooperation with State officials in finding reasonable solutions to the exigent budget deficits in these tumultuous economic times is of paramount importance. But the State should not consider funding alternatives that destroy imperative, fundamental public works services resulting in devastation to immediate and future County transportation maintenance programs. Redirection of these critical local gas tax revenues will ensure the consistent erosion to transportation public safety conditions for County constituents.

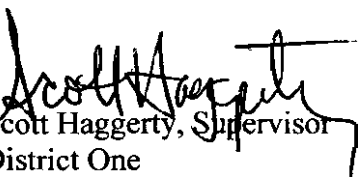
In Alameda County alone, the proposed action translates to a loss of at least \$35 million in revenue over the proposed two-year period (FY2009/2010 and FY2010/2011) for unincorporated Alameda County! Consequently, this revenue shift will lead to lengthy deferral, if not elimination, of critical maintenance and repair programs to local streets and roadways. The revenue loss will force the Public Works Agency to lay-off hundreds of employees who deliver these valuable services. As a result, the County will be prevented from providing requisite public works services such as landslide and roadway hazard clean-up, emergency response services, pothole and sidewalk repairs, traffic signal and street tree maintenance, maintenance to estuary bridges, etc, in a regular and timely manner, all of which the public has come to rely on and expect. Further, the Public Works Agency would lose federal grant funding due to the inability to complete grant funded projects and to provide the requisite local fund match component which is derived from HUTA revenue.


To re-emphasize the criticality of the State's proposal, the loss of local transportation funding will seriously impair transportation-related public safety with absolutely no recourse available to County officials toward resolution. A current CSAC statewide needs assessment determined that a ten-year, \$71.4 billion shortfall already exists for local transportation infrastructure maintenance/improvement programs. Redirection of these local gas tax funds ignores the fact that these vital operations are of primary importance to the constituents, not only in

unincorporated Alameda County, but throughout the State. Voters have repeatedly supported state-wide transportation revenue-generating referendums to make certain that the State and local transportation infrastructure will have integrity and promote safe conditions for all modes of transportation. Alameda County earnestly requests the State to preserve our transportation infrastructure from the certainty of unrelenting deterioration.

Government officials are facing very ominous economic times ahead. This proposal comes at a particularly inopportune time, since the federal government is urging state and local government to find ways to stimulate the economy. **One of the most direct and effective economic stimuli is achieved through expansion, not curtailment, of public works projects.** Therefore, it is crucial that the State reconsider this proposal to shift local gas tax subventions to the State for two fiscal years. It is essential that all State and local government representatives collaborate on a more equitable and reasonable solution to the State's economic crisis.

Sincerely,


Scott Haggerty, Supervisor
District One


Keith Carson, Supervisor
District Five

SH:KC:SO:ll
V:leg supportletters