

Borrowing Gas Taxes to Close the Budget Gap is Fiscally Reckless

from Jim Earp, Executive Director of the CA Alliance for Jobs, and Mark Watts, Executive Director of Transportation California.

With a budget deficit of \$24 billion, we face the very real possibility that legislators will once-again look to borrow, shift or outright raid Prop 42 gas tax dollars that the voters have repeatedly said they want to fund transportation improvements.

While the Governor's various budget proposals do not include a borrowing of Prop 42 gas tax funds, the Governor has proposed an outright raid of more than \$900 million in local gasoline excise taxes that fund city and county road repairs. Further, we're hearing credible rumblings that certain lawmakers are considering proposing a Prop 42 borrowing or temporary shift as a means of addressing the budget shortfall.

Very clearly, borrowing, stealing or shifting Prop 42 funds is fiscally reckless since the money has to be repaid with interest in three years. Further, raiding these funds could be the final nail in the coffin for an industry struggling with more than 20 percent unemployment and will result in job losses and hurt our economy at the worst possible time.

Raiding transportation funding goes against the will of voters. Voters overwhelmingly voted twice to make sure the state sales tax on gasoline goes to road improvements. As such, proposals to borrow or repeal funding dedicated to transportation ignore the clear mandate set by voters.

We are once again energizing our coalition to prepare for a budget fight should a raid of gas tax funds get any traction. Already, we need to fight against the raid of \$700 million in local government excise taxes that fund critical transportation projects. The CA Alliance for Jobs and Transportation California will be developing an aggressive grassroots, earned media, and potentially paid media campaign in the coming weeks.

California leaders must make the tough and fiscally responsible decisions that will finally put an end to our structural problems while also stimulating our economic recovery.

We urge you to join us in protecting gas tax funds for infrastructure improvements. Please contact your local legislative leaders and the Governor's Office and let them know borrowing gas tax funds is not the solution.
