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COUNTY OF SAN BERNARDINO

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June 23, 2009

The Honorable Darrell Steinberg, President pro Tem, California State Senate
The Honorable Dennis Hollingsworth, Minority Leader, California State Senate
The Honorable Karen Bass, Speaker, California State Assembly
The Honorable Sam Blakeslee, Minority Leader, California State Assembly
State Capitol Building
Sacramento, CA 95814

Dear Members:

The San Bernardino County Board of Supervisors strongly opposes the proposal to “take” \$986 million of the local share of the gasoline excise tax (also known as the Highway User Tax Account or HUTA) in FY 2009-10 and \$745 million in FY 2010-11 from counties and cities for transportation related bond debt service and the Department of Finance proposal to suspend the first two quarters of the local portion of Proposition 42 in Fiscal Year 2009-10, equivalent to another \$288 million statewide.

The majority of San Bernardino County’s gas tax revenues received from the State directly funds road emergency response, road maintenance, street sweeping, street lighting, snow removal, traffic signal maintenance, tree maintenance and other critical services along the County’s 2,775 miles of maintained roadways.

HUTA Take Away

Loss to San Bernardino County: \$47.25 million - San Bernardino County receives \$27 million in HUTA per year which is 61% of the County’s total transportation road maintenance and operations budget. HUTA is used for operations, maintenance, local match for state and federal funding, local share for joint projects with other local jurisdictions, emergencies, and administration.

Should the proposal to take HUTA from local jurisdictions occur, no other work besides pot hole filling could be undertaken. In addition, the County would not have the transportation staff or funding available to respond in a timely manner to emergencies or widespread disasters that typically happen during the course of a year, such as mud slides, landslides, flooding, and repairs necessitated by wild fires. Snow removal would be severely reduced. Layoffs would be inevitable. The County has spent many years and invested many millions of dollars to bring the quality of our roads to a high level and has maintained this quality through the efficient use of HUTA funding. Implementation of this budget proposal will lead to the deterioration of the quality of these roads and undo the many years and millions of dollars spent to improve the County’s maintained road system.

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.

Should this proposal be adopted, given the County's current commitment and required expenditures, the County's transportation administration, operations, and maintenance budget would be insolvent by November 2009.

Proposition 42 Deferral

Impact to San Bernardino County: \$7 million - The borrowing of Proposition 42 funds would impact maintenance on County roads and the County's ability to respond to emergencies. In the span of two years, the quality of roads would deteriorate to such a degree that it would create safety concerns for the public. In addition, the deterioration would advance to such a degree that repair costs would escalate because of the delayed maintenance due to fewer repairs being done under available funding.

Combination of HUTA Take Away and Prop 42 Deferral

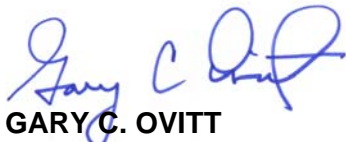
Loss to San Bernardino County: \$54.25 million - Should both proposals be adopted, the result would be a shutdown of all construction projects for the County, no outside contractors could be hired, which would impact the economy. Any projects currently underway would have to be halted for the duration of the borrowing period. Maintenance measures such as chip sealing, bridge repair, overlays, and capital improvement projects would be eliminated, leaving the County with funding only for minimal maintenance. Further layoffs would be inevitable and severely impact the county's transportation operations.

Cities and counties are dependent upon these revenue streams for personnel and daily operations and maintenance. Therefore cities and counties cannot sustain a disruption of these revenue sources without severe consequences. Such an approach would decimate local public works departments, result in severe layoffs, and the cancellation of many contracts with private companies, bring traffic safety and project improvements to a halt, inhibit emergency response, and prevent vital operations.

San Bernardino County currently has \$250 million in projects funded with state, federal, and local dollars that would be impacted by this budget proposal. These projects would have to be halted or eliminated because the County would not have the funds available for the project or the local match required to leverage state and federal funds, creating severe economic impacts for a region already experiencing 13% unemployment.

The San Bernardino County Board of Supervisors urges you to oppose any budget that defers Proposition 42 funds and takes HUTA funds from local agencies. We thank you for your attention in this matter.

Sincerely,



GARY C. OVITT
Chairman, Board of Supervisors



PAUL BIANE
Second District Supervisor