

**Date: July, 27 2009**  
**Re: Transportation Budget Details**

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Below is a summary of what we know about the budget to date. We have received a number of inquiries regarding specifics of the budget package so hopefully this update will answer those questions. Should you need additional information beyond this or have further questions, please let me know.

A very big thank you to everyone who sent letters, made phone calls, and advocated against the HUTA take over the past few months. I still can't quite believe it's true!  
Kiana

### **Highway User Tax Account**

While revisions to the FY 2009-10 state budget ultimately did not take the local share of the gas tax, also known as the Highway User Tax Account (HUTA), monthly payments are being deferred from July through December 2009 to be repaid at an unspecified date in the future sometime after January 10, 2010 (contained in AB 4X 16). While it has yet to be confirmed with the State Controller's Office (SCO), CSAC interprets budget trailer bill language to mean that monthly HUTA payments will not be made starting this July 31<sup>st</sup>. Also, CSAC has already made inquiries with the SCO to learn of their plans for paying back this deferral to cities and counties. We will update you as we learn more.

### **Proposition 42**

The FY 2009-10 state budget defers the first two quarterly payments of Prop 42 (the October 2009 and January 2010 payments) to cities and counties until May 2010. These deferrals total \$288 million dollars, \$144 million of which is a direct hit to counties. At this point in time, cities and counties are slated to receive their third and fourth quarterly payments on schedule (April and July 2010). Please note that this action is a deferral and not a loan, thus the Prop 1A protections for Prop 42 funds are not triggered and the State will not pay back the monies with interest.

### **Proposition 1B Local Streets and Roads Account**

The remaining \$700 million in Prop 1B Local Streets and Roads (LSR) monies were appropriated in the FY 2009-10 budget revisions with approximately \$442 million for counties. The budget trailer bill provides cities and counties the ability to backfill the Prop 42 deferrals with LSR monies during the period of the deferral as long as Prop 1B is made whole upon repayment by the State.

The budget trailer bill package did not provide this same authority for cities and counties to backfill the HUTA deferrals with LSR funds so we will seek clean-up language to address this when the Legislature returns in August.

Furthermore, trailer bill language added a number of new requirements in order for counties to access the FY 2009-10 Prop 1B appropriation. A city, county, or city and county must meet the following requirements:

- Shall have received its full allocation for the 2007–08 fiscal year.
- Shall have submitted annual reporting information to the State for the 2007–08 fiscal year.
- Shall agree that FY 2009-10 funds received will be used for projects that are not currently fully funded with a dedicated funding source or sources.
- Shall agree to encumber the funds before July 1, 2010.
- Shall report to the Department of Finance the total balance of unencumbered funds in the road fund.
- Shall certify that the total balance of unobligated or unencumbered funds in the road fund is no more than the sum balance of three months of anticipated apportionments from the Highway Users Tax Account in the Transportation Tax Fund and from the Transportation Investment Fund.
- Any of the funds that are not allocated by July 1, 2010, shall revert to the Local Streets and Road Improvement, Congestion Relief, and Traffic Safety Account of 2006 to be appropriated in future years.

**\$442 million FY 2009-10 Prop 1B LSR Appropriation for Counties**

<b>ID</b>	<b>COUNTY</b>	<b>NO. OF REGISTERED VEHICLES (4/08)</b>	<b>NO. OF MAINTAINED MILEAGE (4/08)</b>	<b>PROJECTED REVENUE FY 2009-10 (Estimated)</b>
1	Alameda	1,149,575	495.39	\$ 13,907,616
2	Alpine	2,038	134.96	\$ 248,464
3	Amador	51,051	410.84	\$ 1,266,680
4	Butte	211,423	1,353.70	\$ 4,665,358
5	Calaveras	67,318	689.22	\$ 1,916,456
6	Colusa	25,929	716.75	\$ 1,491,453
7	Contra Costa	851,398	659.84	\$ 10,789,247
8	Del Norte	25,932	300.88	\$ 797,314
9	El Dorado	209,802	1,075.50	\$ 4,182,539
10	Fresno	670,649	3,563.16	\$ 13,578,853
11	Glenn	33,370	863.19	\$ 1,820,572
12	Humboldt	137,005	1,205.06	\$ 3,570,464
13	Imperial	139,950	2,561.57	\$ 5,868,293
14	Inyo	26,116	1,133.10	\$ 2,188,573
15	Kern	630,683	3,327.67	\$ 12,731,008
16	Kings	98,731	946.10	\$ 2,702,690
17	Lake	79,421	612.36	\$ 1,925,879
18	Lassen	35,722	878.64	\$ 1,873,121
19	Los Angeles	7,054,048	2,966.98	\$ 85,218,652
20	Madera	120,519	1,532.06	\$ 3,928,710
21	Marin	226,626	419.82	\$ 3,279,491
22	Mariposa	26,599	560.41	\$ 1,238,111
23	Mendocino	104,206	1,018.92	\$ 2,886,541
24	Merced	190,480	1,726.96	\$ 5,050,111
25	Modoc	13,187	987.40	\$ 1,798,248
26	Mono	16,452	684.42	\$ 1,329,653
27	Monterey	326,055	1,242.60	\$ 5,784,271
28	Napa	129,175	445.01	\$ 2,212,669
29	Nevada	120,739	560.79	\$ 2,309,942
30	Orange	2,353,013	313.86	\$ 27,298,200
31	Placer	346,883	1,052.75	\$ 5,704,366
32	Plumas	33,470	687.96	\$ 1,529,210
33	Riverside	1,577,871	2,671.26	\$ 22,413,100
34	Sacramento	1,140,198	2,194.40	\$ 16,636,956
35	San Benito	51,651	383.63	\$ 1,228,086
36	San Bernardino	1,548,162	2,822.22	\$ 22,327,038
37	San Diego	2,451,387	1,921.25	\$ 31,100,668
38	San Francisco	448,004	930.75	\$ 6,651,350
39	San Joaquin	532,969	1,653.70	\$ 8,824,912
40	San Luis Obispo	267,197	1,321.49	\$ 5,246,228

**\$442 million FY 2009-10 Prop 1B LSR Appropriation for Counties**

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41	San Mateo	650,661	313.12	\$ 7,926,365
42	Santa Barbara	345,484	892.68	\$ 5,421,257
43	Santa Clara	1,399,998	684.10	\$ 17,072,115
44	Santa Cruz	225,039	602.94	\$ 3,567,101
45	Shasta	206,029	1,191.19	\$ 4,332,712
46	Sierra	5,289	390.25	\$ 711,601
47	Siskiyou	62,487	1,361.34	\$ 2,983,410
48	Solano	348,017	586.95	\$ 4,939,745
49	Sonoma	450,716	1,384.62	\$ 7,439,821
50	Stanislaus	420,414	1,545.37	\$ 7,363,345
51	Sutter	87,191	786.69	\$ 2,305,289
52	Tehama	64,133	1,089.38	\$ 2,548,175
53	Trinity	19,367	698.14	\$ 1,385,725
54	Tulare	322,713	3,047.10	\$ 8,758,367
55	Tuolumne	71,821	607.16	\$ 1,830,722
56	Ventura	699,159	545.51	\$ 8,866,119
57	Yolo	167,229	794.60	\$ 3,229,222
58	Yuba	62,559	650.59	\$ 1,797,827
	<b>TOTAL</b>	<b>29,133,310</b>	<b>66,198.30</b>	<b>\$442,000,000</b>