

## **State Budget Crisis: An Opportunity for Transportation Planners**

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The proposed state budget takes more than \$2.1 billion from transportation – a cost that will not only stall projects that are ready to be built, but would impact the rebound of California's fragile economy.

The state budget has already had an impact on Metro, as we've seen with the just-announced cancellation of the Call for Projects, a previously fully funded transportation capital improvements program that has a deferred list of over 80 projects amounting to \$600 million. And the \$2.1 billion in proposed statewide cuts is on top of more than \$2.5 billion already taken from transportation over the past 18 months.

While the Automobile Club of Southern California and other transportation interests are vigorously opposing these cuts, there's no doubt that at least some transportation funding will be diverted this year because of the state's economic crisis. So the question becomes: Now what?

This setback can also be viewed as an opportunity for transportation planners and builders to renew their focus on what is truly vital to Southern California's well-being: the ability to effectively move the greatest amount of people and goods while using existing resources with the greatest efficiency possible.

By creating greater efficiency within our transportation systems, we will help save money on projects once funding becomes available again. And by directing limited funds to the most effective projects, our transportation investments will do more to return the state to fiscal health and to improve the lives of all Californians. We must allocate resources to both highway and transit projects offering the most mobility and safety benefits. Both roads and public transit are critical to the lives and well-being of Los Angeles area residents and workers.

### **Economy is on the Line**

The Mobility 21 effort launched by Metro and the Los Angeles Area Chamber of Commerce, in partnership with the Auto Club and other groups, is taking on renewed importance during this crisis. Its approach toward building consensus can be valuable in increasing public awareness of transportation issues and possible solutions. It will play a vital role in securing Southern California's fair share of resources from the reauthorization of the federal transportation act.

Meanwhile, those who advocate for transportation in Sacramento aren't giving up the fight. The Auto Club is now working with Metro, the LA Area Chamber of Commerce and others to show state legislators how the continuing transportation cuts will harm not only transportation projects and agencies, but also the economy as a whole.

Transportation projects are revenue producers – creating companies, jobs and salaries, and producing taxes that will be pumped back into the state's battered economy. These jobs are not only for those directly employed by transportation construction, but also for companies that become more profitable as a result of the improved infrastructure.

The constant reduction of transportation funding actually costs taxpayers more money. Legislative Analyst Elizabeth Hill said in her analysis of the proposed state budget: "Such uncertainty (in transportation funding) makes long-term planning difficult, and money will be wasted in stopping and restarting projects."

We hope lawmakers consider these facts in creating a final budget:

- For every \$1 that California spends on transportation, it receives a \$5.70 return in the form of job and business creation, increased business productivity resulting from reduced travel time, and reduced health-care costs because of improved road safety and air quality.
- For every \$1 billion spent on transportation construction, the equivalent of 42,100 full-time jobs will be created. Those additional jobs will create additional sales tax, income tax and other revenue for California, bringing us closer to restoring fiscal health. Every new transportation construction job creates an additional 1.48 full-time jobs from purchasing other goods and services in Southern California.

These benefits to the state economy will be seen immediately if California decides to push forward transportation construction projects that are ready to begin instead of forcing them to be delayed and, as a result, making them even more expensive to complete.

The short-term gains that seem to come from transportation budget cuts will have a long-term damaging effect not only on the quality of Californians' lives but also on their economic health.

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