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Keep Highway Projects Going – Despite Governor's Decision on Bond Sale

Sacramento, March 8, 2011 – ACEC California today encouraged Gov. Jerry Brown to consider alternatives to his decision to delay more than a dozen highway projects which were to begin this year funded by the sale of Prop 1B bonds approved by voters in 2006.

In a statement opposing the Governor's decision, ACEC California Executive Director Paul Meyer pointed out that the move -- which is slated to save \$175 million in debt service costs this year -- is unnecessary because other more direct opportunities to save state funds exist. Meyer chiefly cited last year's report by the non-partisan Legislative Analysts Office (LAO) which outlined the opportunity to save **\$200 million per year** through a reduction of Caltrans' existing Capital Outlay Support (COS) by reducing staffing to "align the department with its *actual* workload."

"Governor Brown is in an unenviable position and we applaud his willingness to address the state's continuing fiscal crisis," said Meyer. "However, we strongly encourage the Governor to reverse his decision and reinstate these long-planned, job-creating projects which will not only put the state in a better position to compete economically but which are sorely needed by commuters and businesses throughout the state," Meyer said. "Implementing the LAO's recommendations would result in savings far greater than the Governor is seeking. In fact, the LAO's conservative estimates suggest that its recommendations would translate into \$1 billion for the State Transportation Improvement Program (STIP), which funds much of the state's highway work," Meyer said.

Delaying the scheduled projects, said Meyer, would most likely only result in far higher debt service payments next year due to rising construction and labor costs as well as the ongoing deterioration of the roadways in question. Delay would also negatively impact the state's economic competitiveness at a time when California businesses are fighting to survive, he said. In 2009, Caltrans estimated it needed \$6.3 billion each year simply to repair the state's aging highway system but the state has spent less than \$1.5 billion each year on road maintenance. According to the LAO, one way the state can slow the future growth of highway repair costs is to adequately fund and perform maintenance to extend the useful life of its roads.

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About ACEC California: ACEC California is a statewide association representing more than 1,000 private consulting engineering and land-surveying firms that average 20 employees each. ACEC California is dedicated to enhancing the consulting engineering and land surveying professions, protecting the general public and promoting the use of the private sector in the growth and development of our state. Our members provide services for all phases of planning, designing and constructing projects. For more information, visit www.acec-ca.org.

Note to Reporters & Editors:

To view the Legislative Analysts Office report in full, go to:
<http://www.lao.ca.gov/laoapp/PubDetails.aspx?id=2214>