



RESOLUTION NO.

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

WHEREAS, the Governor of California proposes to forcibly borrow billions of property tax dollars from counties and other local agencies through a suspension of Proposition 1A (2004) as part of his state budget plan; and

WHEREAS, an eight percent shift of property tax dollars to the state under a Proposition 1A (2004) suspension would cost El Dorado County a minimum of \$6.3 million dollars; and

WHEREAS, California's adopted 2009-10 budget will delay through the entire first quarter of the fiscal year over one billion dollars in funds counties need to administer mandated health and human service programs and make federally required payments; and

WHEREAS, the state's General Fund already benefits from over \$6 billion annually of property tax revenues from counties that have traditionally funded county services; and

WHEREAS, the state made no effort to end this taking of local revenue even as the General Fund was flush with multi-billion dollar surpluses; and

WHEREAS, property tax dollars and are the primary general revenue source for every county in the state, and comprise approximately twenty-nine percent of El Dorado County's General Fund revenue; and

WHEREAS, El Dorado County property tax revenue and vehicle license fees have remained flat, while sales and use taxes have recently declined dramatically due to the global economic recession; and

WHEREAS, little authority is given to counties to raise revenues independently of the state; and

WHEREAS, in order to live within our means, El Dorado County's total budget has decreased \$62 million (12%), the General Fund has decreased \$20 million (9%), and 204 full-time equivalent positions have been eliminated relative to the Proposed Fiscal Year 2008-09 Budget; and

WHEREAS, counties throughout the state are dealing with the extraordinary economic downturn and balancing their budgets honestly

by cutting critical services, laying off valuable employees, and living within their means; and

WHEREAS, counties and other local agencies provide the services most immediate to the lives of Californians; and

WHEREAS, applications for health and human service programs that counties provide on the state's behalf—such as food stamps, homeless assistance, CalWORKs, Medi-Cal, and general assistance—are rising rapidly; and

WHEREAS, the state has not increased funding for providing human service programs in nearly a decade despite large increases in counties' costs to administer them; and

WHEREAS, the state has made little effort to repay the approximately one billion dollars owed to counties and other local agencies for state-mandated programs performed before 2004; and

WHEREAS, the state's process for determining which mandates are reimbursable is so understaffed, inefficient, and structurally biased against local agencies that counties provide mandated services for as long as a decade without any reimbursement; and

WHEREAS, recent significant changes in credit markets will make it difficult for counties to borrow money to make up for the revenue they would lose under this proposal, even though no county in the state has ever defaulted on its debt obligations; and

WHEREAS, the proposal to forcibly borrow county funds would have far-reaching, long-term consequences for counties and the services they provide to every Californian while doing nothing to resolve the real and continuing problems with the state budget; and

WHEREAS, the proposal would cut real services on which millions of Californians rely in a manner that would not save but in fact cost the state money in the medium-term since the forced loan must be repaid with interest; and

WHEREAS, the California Constitution would require the state to repay this forced loan just as the recently enacted tax increases expire; and

WHEREAS, to solve its structural deficit the state, like counties, cities, and special districts, must either cut programs, raise revenue, or find willing creditors to borrow money from on mutually agreeable terms; and

WHEREAS, the State Legislature and the Governor have failed to resolve the State's structural budget deficit through an entire business cycle; and

WHEREAS, economists expect a continued decline in state revenues beyond the beginning of an economic recovery and therefore by enacting this proposal the state would merely be shifting their problem into future fiscal years that will be bad enough without it; and

WHEREAS, eighty-four percent of California voters, specifically including 84.4 percent of El Dorado County voters, expressed their desire that local property tax dollars remain in their communities to provide local services by voting for Proposition 1A (2004); and

NOW, THEREFORE, BE IT RESOLVED that El Dorado County will make outreach efforts to educate the Governor, members of the Legislature, and all Californians, especially voters, about the exceptional consequences adopting this proposal would cause them; and

BE IT FURTHER RESOLVED that El Dorado County unequivocally opposes any proposal to shift local revenue to the state, whether property tax, gas tax, a deferral of payments, or any other source.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held the _____ day of _____, 200__, by the following vote of said Board:

Attest:
Suzanne Allen de Sanchez
Clerk of the Board of Supervisors

Ayes:
Noes:
Absent:

By: _____
Deputy Clerk

Chairman, Board of Supervisors

I CERTIFY THAT:
THE FOREGOING INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE.

DATE: _____

Attest: Suzanne Allen de Sanchez, Clerk of the Board of Supervisors of the County of El Dorado, State of California.

By: _____