



June 11, 2009

CSAC Officers Press Governor and Legislature on Budget Impacts to California Counties

It has been an active week so far in Sacramento. CSAC President Gary Wyatt of Imperial County, First Vice President Tony Oliveira of Kings County, and Second Vice President John Tavaglione of Riverside County were here Monday, Tuesday, and Wednesday to meet with Governor Schwarzenegger, members of the Budget Conference Committee, and legislative leadership.

On Monday, the CSAC Budget Task Force, appointed by President Wyatt during the May Board of Directors meeting, held a conference call and approved short-term principles to guide advocacy on behalf of California counties during this latest state budget crisis. CSAC officers and staff have been using those principles as they talk to Democrat and Republican legislators about the crisis, the impacts of proposals on California counties, and the people we serve, as well as alternatives or mitigations to avoid devastating consequences of the cuts. The principles include pushing back on permanent cuts, ensuring that budget reductions are proportional, including new, adequate statewide revenue sources to fund new responsibilities, and seeking opportunities to mitigate budget reductions.

The Budget Conference Committee has met daily over the last three weeks. CSAC will provide a comprehensive analysis of Committee actions later this week in our *Budget Action Bulletin*. While the Committee has been meeting, CSAC officers and staff have been pressing for alternatives to permanent cuts, including the proposal to permanently shift the local portion of the gas tax or Highway Users Tax Account (HUTA) funds from cities and counties to the state. This would be devastating to local public works departments resulting in over 3,800 lay-offs, as well as having a ripple effect on the construction industry and material providers.

Legislators remain noncommittal about actions and decisions they will have to make to bridge the latest budget gap. The State Controller and Treasurer continue to press hard for a solution before the end of June to enable the state to perform short-term cash borrowing. Not having a solution by then, they say, would result in the state completely running out of cash before the end of July. Legislative leadership continues to maintain they will meet that deadline. The trick will be coming to agreement on the final resolution.

The primary message the officers conveyed during meetings was that California counties want to be part of the solution, not part of the problem. Recognizing that cuts need to be made, and the majority of those cuts will occur in programs managed for the state by counties, the officers sought relief from restrictions or regulations, which would give counties more flexibility to manage those programs. In addition, the officers pledged to provide support and technical expertise if the state wanted to entertain realignment of programs - stressing that any realignment needs to meet our adopted principles.

Yesterday, the officers met with Governor Schwarzenegger and again stressed that California counties wanted to work with the Governor and Legislature to address this unprecedented budget crisis. The officers pressed those same issues with the Governor as they had with the legislative leadership and members. California counties have the technical expertise and know-how to manage programs for the state and should be consulted throughout the process of cutting back on those programs, as well as any potential realignment of programs between the state and counties.

Look for additional details about Conference Committee action and legislative issues in the *Budget Action Bulletin* and *Legislative Bulletin* to be published tomorrow.

Local Government Summit on Governance and Fiscal Reform

Registration materials are now available to attend the upcoming Local Government Summit on Governance and Fiscal Reform, July 17 & 18, in Sacramento. This summit is sponsored by the Cities, Counties, and Schools Partnership, a collaboration of the California State Association of Counties, the League of California Cities, and the California School Boards Association.

The purpose of the summit is to bring local government leaders together to discuss the current state of affairs in California, how we got into this mess and what strategies and solutions are available to change the structure of governance and fiscal affairs. The summit is designed to be interactive to enable participants to express their views and work collaboratively with other local government partners to develop solutions and strategies that work for local government in California.

The Summit will be held at the Hyatt Regency Hotel in Sacramento. You can register by [clicking here](#).

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