Governor-Elect Brown Gets Going on State Budget Problems

December 8, 2010,

In a two-hour session this morning, Governor-Elect Jerry Brown convened California's constitutional officers, legislators, and local elected officials in Sacramento to discuss the state's dire budget situation. Newly appointed Director of Finance Ana Matosantos and Legislative Analyst Mac Taylor began by describing the factors that have contributed to the state's persistent budget problems, outlined in slides available here. State Treasurer Bill Lockyer spoke about the impact of debt on the state's budget situation, quoting various rating agencies as to the state's fiscal challenges, which have led California to the dubious distinction of having the lowest credit rating of the 50 states. (Treasurer Lockyer's slides are available here.) Finally, State Controller John Chiang outlined the state's cash position and explained that, while the state will remain in the black for the 2010-11 fiscal year, July 2011 begins a new round of cash concerns. (Controller Chiang's slides are available here.)

Joining Governor-Elect Brown on the dais were three of the four legislative leaders - Senate President pro Tempore Darrell Steinberg, Speaker John Pérez, and Assembly Republican Leader Connie Conway. (Senate Republican Leader Bob Dutton was in the audience.) After initial comments and questions from the leaders, Governor-Elect Brown opened the discussion to members of the audience. CSAC President and Riverside County Supervisor John Tavaglione thanked the Governor-Elect for including counties in this first and important conversation about the state budget. He also encouraged the Governor to reach out and engage counties in any discussions involving restructuring the governance and finance of government services. (Supervisor Tavaglione's comments were immediately reported by the <u>Sacramento Bee</u>.)

After nearly an hour of open dialogue, CSAC First Vice President and Yolo County Supervisor Mike McGowan reiterated counties' appreciation for the Governor's invitation and noted that such a forum was a productive start to meeting the budget challenges of the state in such a difficult fiscal environment. Supervisor McGowan noted that the purpose of the forum was to begin the dialogue and, in that sense, it was very successful. While budget solutions are obviously difficult, the first step is a common understanding of the problem. Hopefully, that common understanding was achieved today.

It is clear that there is no easy way out of the state's budget mess. However, California counties are committed to working with the Brown Administration, the Legislature, and stakeholders on resolving this most complex of problems. Governor-Elect Brown has expressed his intention to convene additional forums

in the future, including several on specific subject matters, including education, social services, and public safety. We will keep counties informed on these discussions as details become available.

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