February 18, 2009

I wish I could give you more positive news from Sacramento but, alas, such is not the case.

California's Legislature has little to show for more than four days of debate on a state budget resolution. Despite reaching agreement between the legislative leadership and the Governor, the votes required for passage in the Senate have yet to be achieved. The situation was further complicated by last night's ouster of Senator Dave Cogdill as Senate Republican Leader. Senator Dennis Hollingsworth, a staunch opponent of the current budget package, was elected as leader late last night.

Today, Governor Schwarzenegger held a press conference in which he pointedly reiterated his determination for a budget resolution. He also indicated that he would not reopen budget negotiations, but pledged to continue working to obtain the final votes needed for passage of the budget package as it's currently constituted.

On the Senate Floor today, Senate Pro Tem Darrell Steinberg announced that revenue expected to flow to California from the federal stimulus package would be at risk without the budget plan currently under consideration. The state would not have the funds necessary to draw down federal dollars without the new revenues and program cuts that help to bring the budget into balance. Senator Steinberg is now calling for a vote on the tax measure every hour.

The CSAC Executive Committee sent a <u>letter</u> to the Legislature to emphasize the sense of urgency in counties and urge the adoption of the budget package. In Sacramento, we have been fighting the notion that the fiscal crisis we face is not real. If you have not yet done so, we urge you to contact your legislative delegation to explain the circumstances if the Controller continues to delay payments to counties for federal and state-required services, which will certainly persist without a state budget solution.

This week has been rough for a lot of folks here in Sacramento, but it only gets rougher as the days progress. CSAC staff worked hard through the holidays and weekend (yes, even Valentine's Day!) as the Legislature deliberated. We will continue to press for a budget solution and will get more information out to you as soon as there is something critical or concrete to report.

Paul McIntosh Executive Director California State Association of Counties 1100 K Street, Suite 101 Sacramento, CA 95814 (916) 327-7500 x506 (916) 441-5507 - Fax pmcintosh@counties.org www.csac.counties.org