



Executive Director's Watch

CALIFORNIA
Counties

February 5, 2009

It's been a frenetic few days here in Sacramento and across the state as the budget crisis deepens. County board chambers are echoing with worried and frustrated words and the media is ringing county and CSAC phones nonstop.

The only zone of silence: the Big 5 meetings, which remain tightly under wraps.

The push by each county and CSAC to educate the Legislature, the media, and the public about the impacts of the proposal to defer certain transportation and health and social services payments to counties has elicited an unprecedented response from the media. We applaud your efforts to share the message that deferring payments to counties is not a budget solution and such action will only hurt Californians.

In addition to the work you're doing in your counties, CSAC continues to work hard behind the scenes:

- CSAC staff is actively involved in discussions with the County Counsels' Cost Shift Committee on litigation options, mostly in relation to the Controller's withholding of payments. Furthermore, we are working closely with the County Administrators Association and the State Association of Auditor-Controllers to further examine financial options.
- We've gathered your responses on the impacts of deferrals and created a "Counties in Crisis" package that illustrates the fiscal difficulties all counties are facing during this crisis. I heard from 46 counties and have shared the responses with Speaker Karen Bass and other legislative leaders. It will be posted on the CSAC Web site later today.
- Led by Yolo County Board Chair and CSAC Executive Committee Member Mike McGowan, CSAC participated in a joint Assembly hearing on local government finance yesterday and reiterated our message: Counties are struggling and people will be harmed by lengthy deferrals. Supervisor McGowan's testimony was compelling, as was the testimony of Contra Costa County Assessor Gus Kramer, who shared with Assembly Members the long-term consequences of the foreclosure crisis.
- The talking points and PowerPoint presentation that I distributed last Friday for discussion at board meetings continue to be relevant, and if your county hasn't utilized these tools yet, I urge you to do so. They're all available on our Web site.
- CSAC continues to participate in several budget task forces as approved by the Executive Committee on January 29, including an examination of long-term state-county fiscal reform, participation at the Bay Area Council's summit on a Constitutional Convention (February 24), the Commission on the 21st Century

Economy, and the Cities, Counties, and Schools Partnership Budget Task Force (February 11).

- CSAC has taken part in editorial board meetings and continues to field a significant amount of press calls ranging from local papers to national publications.
- CSAC staff is pounding the marble floors of the Capitol, the Controller's office, and the Department of Finance daily on the deferral and other county issues and we will share any news we hear on a possible budget agreement.

I know the frustration levels in your county are high – jobs, projects, and livelihoods are at stake here. Counties must examine all options during this unprecedented crisis, and CSAC remains committed to working with every county, Legislator, the Governor, county affiliates, and every other stakeholder to ensure the best possible fiscal solution for all of us.

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