



GLENN COUNTY BOARD OF SUPERVISORS

Courthouse, 2nd Floor
526 West Sycamore Street
P. O. Box 391, Willows, CA 95988

John K. Viegas, District 1
Tracey Quarne, District 2
Steve Soeth, District 3
Michael Murray, District 4
Leigh W. McDaniel, District 5

David Shoemaker, CAO

June 5, 2009

The Honorable Arnold Schwarzenegger
Governor of the State of California
State Capitol Building
Sacramento, CA 95814

RE: State's Proposed 2009/2010 Budget Reductions Will Devastate Glenn County

Dear Honorable Governor Schwarzenegger,

The Glenn County Board of Supervisors urges you and the Legislature to reject those staff proposals that would shift billions of dollars of local revenue from counties. The State's General Fund already benefits from over \$6 billion annually of property tax revenues from counties that have traditionally funded county services.

Property tax dollars comprise over twenty percent of counties' general revenue and are the primary general fund source for every county in the state. Glenn County tax revenues including property taxes, sales and use taxes, and vehicle license fees have recently declined dramatically due to the economic recession, and there is little authority given to raise revenues independently of the state. Therefore, our small rural county will be forced to balance their budget by cutting critical services and laying off valuable employees.

Applications for health and human service programs that Glenn County provides on the state's behalf—such as food stamps, homeless assistance, CalWORKs, Medi-Cal, and general assistance—are rising rapidly and the state has not increased funding for providing human service programs despite large increases in costs to administer them.

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. In addition the State still owes Glenn County more than \$600,000 in back taxes and now your staff proposes to forcibly borrow county funds that would have far-reaching, long-term consequences for Glenn County and the services we provide to our citizens, while the State is doing nothing to resolve the real and continuing problems with the state budget. The direct or indirect raiding of discretionary revenue will entirely eliminate our reserves to satisfy the projected increase in General Assistance.

The current budget 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. The California Constitution would require the state to repay this forced loan just as the recently enacted tax increases expire.

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. 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.

California voters expressed their desire that local property tax dollars remain in their communities to provide local services by voting for Proposition 1A (2004). Glenn County strongly opposes the State borrowing from local government.

We in Glenn County are left with very few options other than close our doors and send the keys to you, the State. As an alternative we stand willing to sit down with all stakeholders and identify mutually agreeable solutions to all our problems rather than just shifting them to someone else.

Glenn County strongly urges your reconsideration on the State's proposed 2009/10 Budget and take into consideration the detriment it would have on our small rural community.

Sincerely,

GLENN COUNTY BOARD OF SUPERVISORS



MIKE MURRAY, CHAIRMAN

Cc: Assemblyman Jim Nielsen
Senator Sam Adrestad
✓ California State Association of Counties
Regional Council of Rural Counties