



Executive Director's Watch

CALIFORNIA
Counties

January 9, 2009

CSAC President Gary Wyatt and I have spent the past two days in Washington DC attending the annual meeting of the National Council of County Association Executives and the state association Presidents. It has been an interesting two days as we are able to network with our counterparts from around the United States and commiserate about the impacts the economy is having on our respective counties.

In addition, though, we have heard from members of the Obama Administration Transition Team and from House Speaker Nancy Pelosi's staff about the economic stimulus package and what may or may not make it through the Congress.

The situation remains extremely fluid as components of the package are being negotiated individually with respective committee members and staffs. The basic framework of the package is pretty solid, though. We know it will contain a component on infrastructure projects (roads, bridges, and transit mainly) that are "shovel ready" to create jobs. Other components will include assistance to state and local governments, tax relief and health care.

The state and local assistance package could bode well for California. It would include increasing the federal share of Medicaid by 5% to 15%, extend unemployment insurance, extend health insurance when people are laid off, and provide additional funds for children's health. These are all programs that would funnel money into the state and county budgets.

The total package is thought to be somewhere around \$800 billion-plus, covering the 2009 and 2010 years. Congress is working to have the package completed by the President's Day recess – February 16. This would be an exceptional achievement if they were able to do that.

In addition to the economic stimulus package, Congress is also working to pass legislation funding and increasing funds for the State Children's Health Insurance Program (SCHIP). This legislation was passed last fall but vetoed by President Bush. It is thought that approval will be quickly gained and the bill could be on the President's desk the day after Inauguration. Again, this would funnel additional monies to California.

While Supervisor Wyatt and I have been in Washington, the CSAC staff has been very busy dealing with issues in Sacramento. We issued a press release yesterday ([click here](#)) to draw attention to the dire straits facing counties today and the significant risk posed to programs administered by counties if the state does not adopt a budget-balancing package soon.

Additionally, in anticipation that the state may have to issue warrants next month if they cannot come to agreement, the CSAC Finance Corporation has begun discussions with the banking community to see if there is a method by which we can pool warrants received by counties for purchase as investments by the banks. This would keep cash in the coffers of counties during this period.

We will communicate information to you as soon as we can. In the meantime, have a great weekend.

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