

## **NEWS FROM DON KNABE**

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### **FOR IMMEDIATE RELEASE**

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### **KNABE RESPONDS TO REVISED BUDGET PROPOSAL**

**LOS ANGELES, May 14, 2009** – Supervisor Don Knabe, Chairman of the Los Angeles County Board of Supervisors, issued the following statement today on Governor Schwarzenegger's Revised Budget proposal, specifically, the possibility of capturing \$2 Billion in local funds from Cities and Counties, pursuant to Proposition 1A:

"Today's announcement about a possible suspension of Proposition 1A is just the latest example of State leaders attempting to balance their budget shortfalls on the backs of local government."

"Budgeting in the State of California is hopelessly chaotic. Meanwhile, here in Los Angeles County, our budget was balanced and on-time, just as Counties and Cities across California are required to do by law. We tried to do the right thing, forecasting the decline in local revenues and property taxes, by creating reserves and rainy day funds. Los Angeles County's budget includes several hundred million dollars in cuts that we have already experienced, but it is the second and third round of cuts proposed by the State, like the suspension of Prop. 1A, which will put at risk our ability to protect the safety net services that we are required to provide by law."

"Once again, we are being punished locally because the State's financial house is in total disorder. Proposition 1A is supposed to protect funding for public safety, health, libraries, and parks. This protection is now in jeopardy because of this announcement. Ultimately, it will be the residents of our County that will suffer the most from the State hijacking these local funds, in the form of reduced services and fewer options."

-Supervisor Don Knabe, Chairman, Los Angeles County Board of Supervisors

Proposition 1A was approved by voters in 2004 to protect revenues collected by local governments (Cities, Counties, and special districts) from being transferred to the State government for statewide use. The provisions may be suspended if the Governor declares a fiscal necessity and two-thirds of the California State Legislature approve the suspension. It protects local funding for public safety, health, libraries, parks, and other locally delivered services, and prohibits the State from reducing local governments' property tax proceeds.

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