

## County supervisors angered over governor's plan to raid coffers

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SACRAMENTO — As the state's economic conditions spiral downward — and just as residents' needs continue to grow — counties have had to make tough cuts to vital services.

It is a vicious cycle that could be exacerbated by Gov. Arnold Schwarzenegger's proposal to borrow \$2 billion from counties as a way to fill an estimated \$24 billion deficit. And county officials are saying no more.

At a day of rallies at the Capitol by a number of groups protesting cuts proposed by Schwarzenegger, county officials from across the state insisted that raiding county coffers will have a crippling effect on their ability to deliver services.

"The state is abdicating its role to provide safety-net services by its proposals to eliminate welfare and health insurance for children," said John Gioia, a Contra Costa County supervisor. "Low-income families will turn to counties for help just as we're struggling with cuts, decreases in our own revenues and delayed payments."

Contra Costa County services have been cut by \$150 million in the past two fiscal years, and 600 positions have been eliminated.

Contra Costa has made cuts in public health, county hospital services, libraries and law enforcement such as the probation, sheriff's and district attorney's offices, Gioia said. The county's firefighters have also agreed to defer wage increases for two years while other unions are negotiating for additional savings.

Under Schwarzenegger's proposal, the state would suspend Proposition 1A, a ballot measure approved by voters in 2004 to protect dedicated funds to counties except when the state faces severe fiscal hardships. The state would borrow \$2 billion from property taxes collected by counties over two years and would have to pay them back in full three years later. Counties say the state has yet to pay back about \$1 billion in previous revenue shifts.

"We're simply out of good options," said Aaron McLear, spokesman for Schwarzenegger. "The governor understands this is going to be a challenge for local governments. He's always fought against borrowing from local governments. But there are a number of things he's always fought against that are in this proposal. We're simply in a worldwide recession the likes of which California hasn't seen since the Depression."

Other proposed cuts, shifts and deferrals would add up to more than \$8 billion in impacts to counties, county officials said.

"We are experiencing significant revenue shortfalls, rising caseload demands, and we've taken dramatic steps to resolve budget problems," said Gary Wyatt, president of the California State Association of Counties and an Imperial County supervisor. "Now, billions are at risk, dollars that fund critical and essential services for people who need them now more than they've ever needed them."

"These proposals will only further cripple our

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County officials said they were not suggesting that they be spared devastating cuts that others will face. Instead, they say that the state must find other ways to balance the budget than borrowing from counties.

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