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**FOR IMMEDIATE RELEASE**

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## **Vulnerable Children Suffer Under Final Budget Package**

### **Counties Left to Deal with Devastating Cuts to Critical Social Services Programs**

SACRAMENTO – California counties are outraged over the Governor’s line-item vetoes today that targeted vulnerable Californians – especially children and seniors – by substantially cutting vital programs that ensure their health and safety and leaving California counties holding the bag.

“We are gravely concerned for the well-being of children across the state and the ripple effects in our local communities,” said Gary Wyatt, president of the California State Association of Counties and an Imperial County Supervisor. “There is no doubt that counties will be under immense pressure in the coming weeks to deal with the consequences of the Governor’s decisions to dramatically reduce funding to health and human services programs. Counties will have to take action to address these additional cuts – likely through a combination of service delays, reductions, possibly even eliminations, and additional furloughs and layoffs. We are extremely saddened that vulnerable children and seniors and local communities and economies will be so severely affected by the Governor’s vetoes, especially when the tattered economy is forcing more and more people to turn to public assistance as a means to care for their families.”

In total, counties face \$3 billion in a combination of cuts, cost shifts, deferrals, and borrowing in the state’s revised 2009-10 budget package. The California State Association of Counties (CSAC) continues to analyze the budget package. As it is understood now, the budget includes the following impacts to critical services provided by counties:

- \$124 million (\$80 million General Fund, \$44 million federal funds) cut to counties for serving California’s abused and neglected children, putting the state’s most vulnerable children at greater risk for harm.
- \$375 million cut to employment, child care, and transportation services for welfare recipients working toward self-sufficiency, and just as caseloads are burgeoning due to the economy.
- \$120 million (\$60 million General Fund, \$60 million federal funds) cut to counties to administer eligibility for the Medi-Cal programs, as caseloads are skyrocketing due to the down economy.
- Approximately \$900 million in county property tax revenues “loaned” to the state under the suspension provisions of Proposition 1A (2004).
- Elimination of Williamson Act subventions totaling \$34.7 million, a direct general fund hit to counties.

- Hundreds of millions of dollars in deferred state payments and registered warrants over the 2009-10 fiscal year, creating cashflow issues for counties throughout the fiscal year.

“While California counties are relieved that the taking of local gas taxes and the redevelopment extension/securitization scheme were not a part of the revised budget, a significant portion of the state’s budget solution simply pushes the state’s problem onto county government,” said CSAC Executive Director Paul McIntosh. “Unfortunately, the revised budget has only temporarily addressed the state’s fiscal problems. We are well aware that this budget will likely need to be revisited if revenues continue to decline and the state’s economic recovery is prolonged, as is widely anticipated.”

“What will be left of vital community programs if the state continues on a path of avoiding its chronic fiscal issues and continues to push its considerable fiscal problems into the future?” McIntosh asked.

The California State Association of Counties (CSAC) is the voice of California’s 58 counties at the state and federal level. The Association’s long-term objective is to significantly improve the fiscal health of all California counties – from Alpine County with a little more than 1,200 people to Los Angeles County with more than 10 million – so they can adequately meet the demand for vital public programs and services. CSAC also places a strong emphasis on educating the public about the value and need for county programs and services.

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