

# THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

Adopted this Resolution on June 16, 2009 by the following vote:

**AYES:** Gioia, Piepho, Glover and Bonilla

**NOES:** None

**ABSENT:** Uilkema

**ABSTAIN:** None



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**SUBJECT:** In the matter of urging the California Legislature ) **Resolution No. 2009/295**  
and Governor to reject proposals )  
that would shift billions of dollars )  
of local revenue from counties )

WHEREAS the Governor of California proposes to forcibly borrow billions of property tax dollars from counties and other local agencies as part of his state budget plan; and

WHEREAS California's adopted 2009-10 budget will delay through the entire first quarter of the fiscal year over one billion dollars in funds counties need to administer mandated health and human service programs and make federally required payments; and

WHEREAS the state's General Fund already benefits from over \$6 billion annually of property tax revenues from counties that have traditionally funded county services; and

WHEREAS the state made no effort to end this taking of local revenue even as the General Fund was flush with multi-billion dollar surpluses; and

WHEREAS property tax dollars comprise over twenty percent of counties' general revenue and are the primary general fund source for every county in the state; and

WHEREAS county tax revenues including property taxes, sales and use taxes, and vehicle license fees have recently declined dramatically due to the global economic recession; and

WHEREAS little authority is given to counties to raise revenues independently of the state; and

WHEREAS counties throughout the state are therefore dealing with the extraordinary economic downturn and balancing their budgets honestly by cutting critical services, laying off valuable employees, and living within their means; and

**RESOLUTION NO. 2009/295**

WHEREAS counties and other local agencies provide the services most immediate to the lives of Californians; and

WHEREAS applications for health and human service programs that counties provide on the state's behalf—such as food stamps, homeless assistance, CalWORKs, Medi-Cal, and general assistance—are rising rapidly; and

WHEREAS the state has not increased funding for providing human service programs in nearly a decade despite large increases in counties' costs to administer them; and

WHEREAS 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; and

WHEREAS the state's process for determining which mandates are reimbursable is so understaffed, inefficient, and structurally biased against local agencies that counties provide mandated services for as long as a decade without any reimbursement; and

WHEREAS recent significant changes in credit markets will make it difficult for counties to borrow money to make up for the revenue they would lose under this proposal, even though no county in the state has ever defaulted on its debt obligations; and

WHEREAS the proposal to forcibly borrow county funds would have far-reaching, long-term consequences for counties and the services they provide to every Californian while doing nothing to resolve the real and continuing problems with the state budget; and

WHEREAS the 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; and

WHEREAS the California Constitution would require the state to repay this forced loan just as the recently enacted tax increases expire; and

WHEREAS 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; and

WHEREAS the State Legislature and the Governor have failed to resolve the State's structural budget deficit through an entire business cycle; and

WHEREAS 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; and

WHEREAS eighty-four percent of voters in a high-turnout general election expressed their desire that local property tax dollars remain in their communities to provide local services by voting for Proposition 1A (2004); now therefore

BE IT RESOLVED that the Contra Costa County Board of Supervisors will make extraordinary outreach efforts to educate the Governor, members of the Legislature, and all Californians—especially voters—about the exceptional consequences adopting this proposal would cause them; and be it

RESOLVED that the Contra Costa County Board of Supervisors unequivocally opposes any proposal to shift local revenue to the state, whether property tax, gas tax, a deferral of payments, or any other source.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown

ATTESTED: June 16, 2009

DAVID TWA, Clerk of the Board of Supervisors  
And County Administrator

By  Deputy

cc: