



And The Hits Just Keep on Coming

May 11, 2009

County officials were stunned today when Governor Schwarzenegger revealed that the black hole in the state budget for the 2009-10 fiscal year had grown to \$15.4 billion, or \$21.3 billion if the May 19 ballot measures fail to pass. The figures were revealed in a [letter to the Legislative Leadership](#) and reported by KQED.

This revelation comes as the Administration is preparing to release the summaries of two approaches to the May Revision; one if the ballot measures pass and one if they do not. These Revisions will come on the heels of a budget adopted in February which temporarily resolved a \$42 billion hole in the state budget combined for the last half of the current year and the 2009-10 budget year. That budget solution relied upon \$12.2 in new revenues and \$15.8 in cuts, mostly to social service programs. The remainder of the gap was filled through borrowing and the federal stimulus package.

The budget solution also relied upon the federal stimulus package providing up to \$10 billion in relief to the state's general fund and triggered \$1 billion in additional revenues and \$941 million in additional cuts when that threshold was not achieved. Finally, the budget relies upon passage of Propositions 1C, 1D and 1E to fill the remainder of the gap.

With the figures released by the Governor, the state must still fill a budget hole of \$15.4 billion regardless of what the voters say on May 19. Given the protracted debate on the 2008-09 budget (adopted 85 days into the fiscal year) and the angst with which the current budget solution was adopted, one can expect the deliberations and solutions associated with resolving this issue to be long and painful.

With temperatures in Sacramento projected to reach into the 100s this weekend, this news portends a very long and very hot summer.

As always, CSAC will vigorously advocate the protection of county revenues and programs. We will need strong support, though. May the force be with us all.

Paul McIntosh
Executive Director
California State Association of Counties
1100 K Street, Suite 101
Sacramento, CA 95814
(916) 327-7500 x506
pmcintosh@counties.org
www.csac.counties.org