



May 6, 2009

CSAC Officers ask Governor to Reject Suspending Proposition 1A (2004)

CSAC Officers have filed a letter with Governor Schwarzenegger asking the Governor to remove consideration of borrowing local government funds through a suspension of Proposition 1A as an option being considered for the May Revision. The letter points out that while boards of supervisors are familiar with the difficulties of cutting budgets and the concept of placing "all options on the table" some options are just so irresponsible and draconian that they should be immediately removed from that table. Borrowing from local government through the suspension of Proposition 1A (2004) is one such option.

The body of the letter is as follows. A copy of the [letter](#) is attached.

As the officers of the California State Association of Counties (CSAC), and as supervisors in our respective counties, we were extremely distressed to learn that the Department of Finance is considering borrowing from local government as an option to resolving a projected budget deficit for the 2009-10 fiscal year. We write to urge you to reject any such option immediately.

California's counties are very familiar with the difficult decisions necessary to balance budgets during this fiscal crisis. Boards of supervisors throughout California have cut hundreds of millions of dollars from their budgets due to declining revenues. We understand the notion that "all options need to be on the table". We are also aware, however, that some options are just so irresponsible and draconian that they should be immediately removed from that table. Borrowing from local government through the suspension of Proposition 1A (2004) is one such option.

Suspension of Proposition 1A does nothing to resolve the state's budget problem and undermines any effort to restore the state to fiscal stability in the future, or even next year. It is an untenable solution that only pushes the state's fiscal problem into future years, further exacerbates the chronic structural deficit and visits crippling fiscal problems on local government.

In adopting Proposition 1A in 2004, California's voters clearly stated they wanted to protect local government revenues and that they valued

local government services. We urge you to stand with California's counties, as you have throughout your tenure as Governor, and reject the notion of suspending Proposition 1A as an option to resolving the state's budget problem.

We await your positive response.

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