



## Executive Director's Watch

CALIFORNIA  
Counties

February 20, 2009

Governor Schwarzenegger will sign the budget bills in a ceremony today at 1 p.m. You can watch the signing, if you are so inclined, via webcast at [\(Governor's Web Site\)](#).

I want to take this opportunity, in the wake of this long and arduous process, to recognize and thank all of you who wrote letters, made telephone calls, sent e-mails and otherwise helped to assert California's counties as key participants in this budget process. The magnitude of the deficit, the cuts made, and the revenues adopted are all historic in nature.

The threat to California's counties in this process was real. In January, CSAC learned that a proposed seven (7) month deferral of health and human services payments and transportation funding to counties was on the table as part of the budget solution. This issue became a rallying point for counties across the state - heightened by the Controller's decision on February 1 to delay payments to counties for health and human services programs. The response from county officials was quick, to the point and aggressive.

As a result, the budget bills that the Governor will sign today contain a significantly watered-down provision for deferrals. Found in ABX3 8 at Page 50, the deferrals will be made on a limited number of health and human services programs for July and August 2009, with payments to resume September 1, 2009 and those deferred amounts paid by September 30, 2009. Counties with a population of less than 40,000 are exempt from any deferrals. All counties, though, will be affected by a continued 30 day delay in payments from the Controller's Office. There will continue to be some deferral of transportation funds, but not as long as originally proposed. You can read all about in the CSAC Budget Action Bulletin on our Web site.

While these deferrals and some of the cuts made necessary to balance the budget impact counties, the impact is far less than what could have been. It was through our collective reaction and aggressive response that counties avoided deeper impacts.

Adopting a budget solution is not the end of the issue, though, it is the beginning. A record-breaking recession continues to grip California, the nation and the world. Revenues for the state continue to be flat and we can expect some adjustments to be necessary later this year. The special election on May 19 will determine whether or not major portions of this package work for California's voters. The budget package delays the traditional May Revise until June 8, and we can expect some issues to arise then. Know that CSAC will be vigilant and continue to work through the issues as they arise.

### **Federal Stimulus**

On another note, I sent out a guide the League of California Cities has prepared on the many grants and opportunities available through the federal stimulus package to county administrators this morning. You may not realize that several billions of the stimulus

package are funds to federal agencies that will make distribution decisions to grant and aid recipients. Counties can qualify for those funds.

A lot of this information will be forthcoming during the National Association of Counties (NACo) Annual Legislative Conference to be held in two weeks in Washington DC, March 7 -11. Nothing could be timelier or more important to California's counties. If you have not yet registered, there is still time. You can access materials at [www.naco.org](http://www.naco.org).

Have a nice weekend.

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