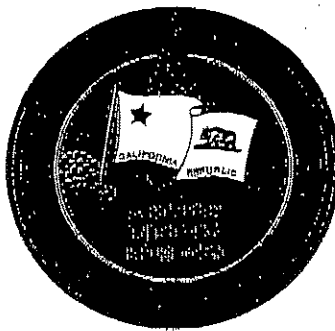


COUNTY OF SONOMA  
BOARD OF SUPERVISORS

575 ADMINISTRATION DRIVE, RM. 100A  
SANTA ROSA, CALIFORNIA 95403

(707) 565-2241  
FAX (707) 565-3778



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January 29, 2009

Governor Arnold Schwarzenegger  
First Floor  
State Capitol  
Sacramento, CA 95814

RE: Proposed deferral of state payments

Dear Governor Schwarzenegger:

I am writing to express our opposition to any deferral of state payments to the counties to address the State's fiscal crisis. If any deferral proposal goes forward we ask that you and the legislative leadership should consider both the direct and indirect impacts to counties and provide that they be made claimable for reimbursement.

Specifically in the County of Sonoma, the proposed deferrals would delay payment of approximately \$34.5 million in Human Services, \$6.55 million for transportation and public works and \$3.1 million in Early Periodic Screening, Diagnostic, and Treatment (EPSDT) services for seven months. These deferrals would, in effect, have the counties provide an interest free loan to the state while continuing to provide vital and mandated public services.

This action would require the County to borrow funds to temporarily bridge the gap, and the cost of borrowing would not be reimbursed. This deferral would cost the County nearly \$500,000 in unreimbursed interest expenses. This cost would be borne by a reduction in services for what is, in effect, an interest free loan to the State. This cost should be reimbursable. The State would then bear the full responsibility for its fiscal decisions, rather than merely providing diminishing resources and services for a budget proposal that is, at best, a short term solution to a long term and systemic problem.

We understand and appreciate the difficult problem with balancing a budget that has macro economic forces suppressing existing revenue sources. We know this because we are grappling with these issues at the local level where services are needed most. We ask that whatever solution the State adopts does not worsen the cuts Counties are already facing. Ensuring that the costs of borrowing due to any deferral of state payments are claimable for reimbursement would provide mitigation to a difficult situation.

Post-it® Fax Note	7671	Date	1-30-09	# of pages	2
To	CSAC	From	Supr. Carrillo		
Co./Dept.		Co.	(707)		
Phone #		Phone #	565-2241		
Fax #	(916)441-5507	Fax #	565-3778		

Governor Arnold Schwarzenegger  
January 29, 2009  
Page 2

Thank you for your consideration. If we can provide any additional information, please feel free to contact me anytime.

Sincerely,



Efren Carrillo  
Chair Pro Tem and Fifth District Supervisor

EC:ps:22319

cc: Assembly Member Noreen Evans, Chair Assembly Budget Committee  
Assembly Member Wes Chesbro  
Assembly Member Jared Huffman  
Senator Mark Leno  
Senator Patricia Wiggins  
Board of Supervisors  
Bob Deis  
CSAC  
Don Peterson