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May Revision Proposal Would Devastate County Services

California counties adamantly oppose the borrowing of nearly \$2 billion in local government funds, as proposed in the 2009–10 May Revision Contingency Plan — which contains budget proposals for consideration if the May 19 ballot measures fail. This proposal comes during a perfect storm for local programs and services: steeply declining revenue, double-digit caseload increases due to job losses, previous budgetary reductions by the state, and a new set of spending cuts that will annihilate local services.

This plan to sweep local property taxes would cripple counties' ability to provide vital services when the need is growing daily. The proposal is a short-sighted, irresponsible maneuver that does nothing to solve the state's long-term budget issues. In fact, the plan comes at a significant cost to the state as local governments have to be repaid within three years with interest.

The borrowing plan also has to be considered in the context of the Governor's overall budget proposal that, if enacted, would impose significant cost shifts on counties, place unmanageable strains on an already overcrowded jail system, and further tatter the frayed safety net that protects vulnerable Californians.

Counties recognize the State is dealing with unprecedented budget challenges and facing a deficit of between \$15.4 billion and \$21.3 billion. Counties also recognize the May Revision represents an initial attempt to frame the Legislative debate in the coming weeks. Tough decisions are ahead that are sure to affect programs and services across the state. However, borrowing local government funds brings with it dire consequences and does nothing to solve the state's long-term structural problems.

The California State Association of Counties, headquartered in Sacramento, is the voice of California's 58 counties at the state and federal level.

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