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Alameda County
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Opinion-Editorial

Miracle Workers: The Lights Are Still On in Alameda County

By Alameda County Supervisor Keith Carson

Another painful year of declining revenues in California has forced county officials to perform miracles in order to achieve balanced budgets.

Here in Alameda County, we are facing the same challenges as other local governments around the state: how to pay our bills, how to meet payroll and benefits obligations, how to maintain basic infrastructure within communities and social services for our residents. Local government department heads must meet the requirements of mandates passed down by the state or federal government; at the same time, we have little control over regulations and our revenue streams. The State of California is required by statute to balance its budgets on time. The perennially late state budget has a profound impact on local governments. In the last ten years, over \$50 billion has been taken from local government by the State of California after we had balanced our own budgets.

Alameda County may serve as an example. Despite these challenges, in June the Alameda County Board of Supervisors passed a budget on time that closed a deficit of \$152.4 million with a combination of one time savings, program cuts and lost jobs for numerous long time employees. This is the 18th consecutive year when Alameda County has been required to close a budget deficit, and the cumulative cut over that time has been over \$1.6 billion. As bad as the situation is, it could have been worse. Our department heads and administration were prudent in their budgeting all year. In addition, many of our labor unions agreed to concessions, because they realize we are all in this economic free fall together. To date Alameda County has been able to avoid furlough days as a result of the collaboration between labor, CBOs and County administration.

The enormous elephant in the room is the exploding cost of retirement and health care benefits. While the Alameda County Retirement Association (ACERA) and other similar systems have done an exemplary job of managing our retirement funds, they have not been untouched by this economy. If retirement investments do not yield the returns to pay for the healthcare costs and pensions of the Alameda County's aging workforce, the County will be forced to significantly increase its contributions, which seems certain in the future. The increased contributions to our retirement accounts will gravely impact our ability to provide adequate services for those in need far into the future and further accelerate a dismantling of local government as society has historically known it.

While local government's 2010-2011 Budget will continue to eat away at our safety net, the sluggish economy and the aptly titled jobless recovery will continue to cast a dark shadow over our collective economic future. As another illustration, this year was the first time that the value of homes on Alameda County's assessment role has decreased since 1958; that includes 1980, the first year after Proposition 13. The unemployment rate continues to hover over 10%, which means sales tax, business taxes and payroll taxes are down. These are all vital funding sources for local government. So at a time when people are in greater need of services, there is less revenue generated to provide them.

Through careful long-range planning and concessions from our labor partners, Alameda County is one county that has managed to keep the lights on and prevent large-scale layoffs and reductions in services. It remains to be seen how long we can continue to work miracles before our options run out.

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