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Alameda County
Supervisor Keith Carson, Fifth District

For Immediate Release
Press Release

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State Treasurer Bill Lockyer visits Alameda County Budget Workgroup meeting

Oakland—The California Legislature’s impasse over a \$26.6 billion deficit will likely drag on through the summer, State Treasurer Bill Lockyer reported to a crowd of Alameda County policy makers and service providers on Monday, April 18.

In remarks to Alameda County’s Budget Workgroup, the Treasurer warned of future cuts to education and public safety and addressed officials’ concerns about closing the County’s \$137.9 million deficit for fiscal year 2011-12.

“Despite sound fiscal management and concessions from our labor partners, we are still seeing the effects of a slow economic recovery and cuts at the state and federal level trickling down to local government,” noted Supervisor Keith Carson, Chair of the Budget Workgroup. “Since 1993, the County has lost over \$4 billion in funding as the State deals with its own budget shortfalls.”

County officials must develop strategies to close the \$137.9 million gap and pass a balanced budget by the end of June. At the Budget Workgroup meeting, department heads set tentative targets for reaching that goal. Projected cuts are as follows: General government will cut \$22.6 million, Public Protection will slash \$44.0 million, Public Assistance will make reductions of \$33.2 million, and Healthcare will take a \$38.1 million hit. According to County Administrator Susan Muranishi, a proposed budget will come out on June 9 after the Governor’s May Revise budget is made public.

Negotiations over a June ballot measure to extend temporary taxes broke down last month. Although the Legislature has already approved approximately \$11 billion in spending cuts and another \$3 billion in funding shifts and other solutions, \$12 to \$14 billion in additional cuts are necessary to pass a balanced budget.

Supervisor Carson has been active in advocating for Counties as the Legislature considers various options to shift public safety programs to local government. Those proposals are now on hold due to insufficient funding.

Without a compromise on revenue generating measures, Lockyer predicted that the Governor’s May Revise budget will largely constitute deeper reductions, especially in K-14 and higher education.

Cutting \$7.6 billion from K-14 education, the proposed target, would be the equivalent of slashing 6 to 8 weeks of school per year, Lockyer noted. “We can all agree that education creates wealth and jobs,” he added. An all-cuts budget is tantamount to a “long-term anti-jobs policy.”

If a balanced budget is not passed by July 1, the State may be forced to borrow \$10 billion this summer, issue IOUs and withhold payment to vendors. According to Lockyer, California currently has the worst credit rating of any U.S. state.

The Alameda County Board of Supervisors will hold public budget hearings June 20-23 and will adopt a final budget on June 24. For more information about the budget process, please call (510) 272-6695.

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Alameda County Supervisor Keith Carson represents the Fifth District, which includes Albany, Berkeley, Emeryville, Piedmont, and the communities of West Oakland, North Oakland, Rockridge, Grand Lake, Fruitvale, and the Dimond District.