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Alameda County
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PRESS RELEASE

Hasta La Vista, Baby

Governor Schwarzenegger, revising his block-busting role as The Terminator, threatens to veto any budget that includes additional sources of revenue for the State. As a consequence of his intransigence, as early as today, the State will be forced to issue \$776 million in IOUs to Counties across California. Here in Alameda County the impact will be staggering.

It is Judgment Day. And while Counties brace for the coming assault, the governor is adjusting his shades.

“Every taxpayer in California understands that if they don’t pay their bills – and on time – there are consequences,” said Keith Carson, Alameda County Supervisor, Fifth District. “People lose their homes if they get behind on their mortgages. Small businesses are forced to close their doors if they are not paid on time. Here at the County level the safety net of services we provide will come down if the State issues us IOUs.”

While members of the Legislature have struggled to find a solution to the Budget crisis – even if it means tackling one element at a time in order to maintain services and keep the wheels turning – it is all or nothing for this Governor. No bi-partisan solutions, no compromises. When he does not get his way, it’s hasta la vista, baby.

As the economy continues its downward slide and more people are laid off, losing their homes and health care, they will have no choice but to turn to the County for basic services. “Some people used to write checks to their local food bank, soon they might find themselves in line,” Supervisor Carson said.

The vast network of services provided by the County for everything from alcohol and drug treatment programs – intervention, treatment and recovery services – to mental health treatment will come to a screaming halt if IOUs are issued. Additionally, CalWORKs grants, designed to assist low-income families, will have to turn a blind eye to mothers struggling to raise their kids.

The County cannot sustain the issuance of IOUs in the current credit environment while also enduring a proposed elimination of the local gas tax. Threats to suspend Proposition 1A will further disable County services that have already been crippled. Proposition 1A was passed in 2004 to protect locally delivered services by prohibiting the State from robbing property and sales taxes from local government. If suspended, the State would have to pay back local government within 3 years with interest – kicking the can further down the road.

Now is the time for the Governor to come to his senses. Members of the legislature have proposed many fair and reasonable solutions to the budget shortfall. The Governor needs to stop play acting and do his job. This budget crisis must end now.

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