



BOARD OF SUPERVISORS

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DEFEAT OF BALLOT MEASURES, PROPOSED STATE CUTBACKS WILL DEVASTATE ALAMEDA COUNTY PROGRAMS

The failure of five State budget-related ballot measures in Tuesday's elections creates a devastating financial situation for local governments across the state, including Alameda County, which stands to lose more than \$70 million and will likely be forced to drastically reduce services to children, the elderly, the poor and disabled due to cuts proposed by Governor Schwarzenegger.

The effects of looming State cutbacks will come on top of measures Alameda County must enact by the end of June to close an already unprecedented \$178 million deficit for the 2009-10 fiscal year caused by declining local revenues and a massive surge in demands for service. "We face an extremely difficult financial situation to begin with," Alameda County Administrator Susan S. Muranishi said. "Add to that the cuts proposed by the Governor, and you have nothing short of a disaster."

Alameda County alone is looking at a loss of about \$40 million in property tax revenue, according to the governor's latest budget plan. The funds are Alameda County's portion of nearly \$2 billion in property taxes the state plans to borrow from local governments to help plug its financial hole. Muranishi said these funds are vital to keeping the public safe, providing care to the elderly and helping thousands of County residents who have nowhere else to turn for help. "This plan comes on top of the \$3.7 billion that's been diverted from Alameda County by the State over the past 15 years," Muranishi said. "It's an additional grab of our tax dollars that will cripple local programs."

Alameda County is also looking at an additional \$20 million in costs to its program that provides care to homebound seniors and the disabled. That's because the state plans to turn much of its financial obligations for In-Home Support Services (IHSS) programs to local governments. Though only part of the looming budget misery, the plan will decimate Alameda County's IHSS program, said Supervisor Keith Carson, who chairs the County's Budget Work Group. "We are experiencing an ongoing grab for dollars from our local governments to feed the massive state bureaucracy," Carson said. "Our tax dollars are being spent in Sacramento, not at home on local programs to help those people losing jobs, losing homes, losing access to local hospitals and clinics, and losing public protection in their neighborhoods where serious crimes take place."

In a revised budget plan issued last week, Governor Schwarzenegger proposed a series of drastic budget cuts to deal with a \$15 billion State deficit. Many of the cuts would adversely affect or shut down local programs that serve disadvantaged youth, and help seniors and the poor. On top of that, the governor proposed an additional round of cuts in the event voters turned down Tuesday's revenue-generating ballot proposals. The defeat of the five measures on Tuesday will cause the state's budget shortfall to balloon to more than \$21 billion. "The State will simply pass this pain onto the backs of local government," Carson said.

Included in this additional round of proposed State cuts was the biggest financial hit of all: a plan to borrow nearly \$2 billion in property taxes from local government. According to the State's own estimates, this plan will take an additional \$40 million from Alameda County alone. Alameda County officials say they will be forced to cut back or eliminate valuable local programs.

Among the cuts proposed by the Governor are:

- Elimination of the Cash Assistance Program for Immigrants (CAPI) for elderly, blind or disabled immigrants. The plan will add to the caseload of Alameda County's General Assistance Program and increase its cost to the County by an additional \$5 million, bringing the total cost increase to more than \$22 million next year.
- Cuts to public health programs that would force Alameda County to make \$2 million in reductions to emergency care, maternity services, and children's dental care.
- Reductions in the Medi-Cal program, which provides medical care for the poor. The plan calls for saving \$750 million statewide by forcing Alameda County and other local programs to restrict patient eligibility, and thus deny care and reduce services to more residents. The direct County cost will exceed \$1.1 million.
- Elimination of substance abuse treatment and crime prevention funding, which will cost Alameda County \$5.4 million.
- A 10 percent reduction in child welfare services for group homes, foster care and other services, which would cost Alameda County an additional \$2 million.
- A \$1.5 million cut to HIV-AIDs education and prevention services in Alameda County.

Schwarzenegger has also proposed changing sentencing options in ways that would result in shifting thousands of felony and misdemeanor offenders from the State prison system to local jails. Alameda County's jails currently are at full or near capacity. The result of this plan, said Carson, is that "thousands of inmates will be dumped back into our community without housing, medical care or any means of emotional or financial support."

Carson said the proposed cuts are especially frustrating because they focus their impacts on the community's neediest residents while doing little to address Sacramento's penchant for spending beyond its means. "There is no reason to believe we won't be back here in a few months or a year, having to cut back whatever local services remain," Carson said. "Our community will continue to be hammered until Sacramento gets its act together. In other words, there is no relief in sight."