

# NEWS

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## Board reacts to proposed crippling of local government

Members of the San Bernardino County Board of Supervisors today reacted to the Big Five's budget proposal by calling on members of the State Legislature to vote "no" when the plan comes to the Senate and Assembly floors on Thursday.

"The raiding of local funds comes at the worst possible time," said County of San Bernardino Board of Supervisors Chairman Gary C. Ovitt. "Borrowing from local government carries significant repercussions for local government. The suspension of Proposition 1A in this climate to close the budget gap only pushes the state's fiscal problem into future years and further exacerbates existing structural deficits."

State leaders last night presented a fundamentally dishonest budget package riddled with shifts and borrowing of vital revenue from local governments. The proposed budget will put massive strain on the county's ability to provide vital services above and beyond the impacts already being felt from the economic downturn. The county is also concerned that the state's economic projections are overly optimistic, and that the state is using one-time funding sources to address on-going needs. In addition, cuts and furloughs at the state level will result in a measurable reduction in income tax revenues, which the Big Five proposal does not take into account.

The County stands to potentially lose tens of millions of dollars in Prop 1A revenue, Redevelopment Agency (RDA) monies, and funds from the Highway User Tax Account (HUTA) or "gas tax", among other funding streams. "The deceptive budget practices may appear to work in Sacramento, but will ultimately prove dysfunctional as counties strain to provide vital services," said Ovitt.

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"As an example, the State's budget proposal would totally eliminate San Bernardino County's ability to fund any projects in the Speedway Redevelopment Area, including projects that could help local businesses grow and create jobs that are desperately needed," said Second District Supervisor Paul Biane, who represents the unincorporated area of Fontana where the Speedway Redevelopment Area is located. "In fact, the County would be left with barely enough money to pay the debt service on bonds that have already been issued by the RDA."

The proposed raid of HUTA comes with devastating impacts to the County road system. Should the proposal to take HUTA from local jurisdictions occur, work other than pothole filling would likely cease. In addition, the County would not have the transportation staff or funding available to respond in a timely manner to emergencies or widespread disasters that typically happen during the course of a year.

"We all know that residents of our county will suffer at the hands of our state legislature's incomprehensible acts of shifting state-created deficits to local governments – the very counties and cities who have worked so hard to maintain solvency through responsible measures," said Board of Supervisors Vice Chair Josie Gonzales.

"Sacramento's outrageously irresponsible proposed theft of local funds would result in the virtual elimination of local road maintenance services, resulting in deteriorated roads and unsafe conditions," said First District Supervisor Brad Mitzelfelt. "Our County alone stands to lose 61% of what it costs to operate and maintain 2,775 miles of roads."

On June 23, 2009, the Board of Supervisors adopted a balanced budget for the 2009-2010 fiscal year. "The recent economic downturn forced San Bernardino County to make difficult decisions to mitigate an \$84 million dollar shortfall through various cost saving measures," stated Ovitt. "We expect the same resolve from our state leaders."

"Every time Sacramento digs a hole with their own shovel, they call on local governments to bail them out," said Third District Supervisor Neil Derry. "This budget deal would make Bernie Madoff and Charles Ponzi smile."

San Bernardino County Board Members have actively communicated to the San Bernardino Legislative delegation and the Big Five its opposition to the raiding of local funds so vital to County management including the maintenance of County maintained roadways and the creation of local jobs and economic stimulus.