



CALIFORNIA STATE ASSOCIATION OF COUNTIES

PRESS RELEASE

Governor's Budget Proposal is Bad News for Counties

Fiscal Prudence Sends \$4.4 Billion in Costs to Counties

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SACRAMENTO – The Governor's state budget proposal unveiled today calls for shifting more than \$4.4 billion in costs over six years for In-Home Supportive Services (IHSS) to counties with no additional revenue to cover those expenses. The shift represents the single largest change in this budget from last year, and unfairly burdens counties with costs they cannot control nor afford.

IHSS Shift

The Governor's proposal would end the IHSS Maintenance of Effort (MOE) agreement as a result of the discontinuation of the Coordinated Care Initiative. That would add an estimated \$550 million to county costs in the 2017-2018 fiscal year, and more than \$4.4 billion over six years.

"This would be devastating to counties all over the state. We undoubtedly would have to make cuts in other vital social services to cover these costs," said CSAC President and Alameda County Supervisor Keith Carson. "These services are required by both state and federal laws, so if the costs do fall on counties, we have to pay them and we don't have the ability to raise the revenue we'll need to do so. That means cutting other critical local services."

"When California took over parts of IHSS in 2012, the costs were far less than they are today," said CSAC Executive Director Matt Cate. "Since then, the state has added to the annual cost with minimum wage increases and sick-leave pay, and the federal government added overtime pay requirements. Now, when the Governor says we may be on the verge of a recession, and when the future of the Affordable Care Act is uncertain, they want to shift these higher costs back to California Counties. We simply can't afford it."

Transportation

The Governor's budget proposes to increase spending for transportation by \$4.3 billion in California. We certainly appreciate the Governor's commitment to keep this problem on the agenda of the Legislature. However, this level of spending falls short of reversing further decline of local streets and roads.

"The people of California expect safe and efficient transportation systems," said Supervisor Carson. "Maintaining streets, roads and bridges in decent condition is far less expensive than replacing this critical infrastructure when it fails—and with the current lack of funds, that's the direction we're heading." He added, "The backlog of deferred maintenance adds up to more than \$90 billion over ten years for the local system so we need a larger investment from the state to make a meaningful difference."

"CSAC continues to work with the Fix Our Roads Coalition, the Governor and the State Legislature on the transportation issue," said Cate. "But we are disappointed in the lack of action so far to solve this problem. The solutions are there, but the political will remains elusive and our economy will ultimately suffer as roads and bridges continue to deteriorate and the projects to fix them remain stalled. The Governor and legislative leaders pledged late last year to address the transportation funding crisis early in this legislative session and counties intend to hold them to that promise."

The California State Association of Counties is the voice of California's 58 counties at the state and federal level.

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