

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

June 11, 2009

Dianne Jacob, Chairwoman
San Diego County Board of Supervisors
1600 Pacific Highway, Room 335
San Diego, CA 92101

Dear Chairwoman Jacob and Members of the Board:

Thank you for your recent letter regarding the various proposals being offered by Governor Schwarzenegger to resolve our current budget deficit. The Legislature is faced with the difficult task of trying to cut \$24 billion from a General Fund budget of \$88 billion without slashing services that are critically important to the constituents whom we both serve.

We know that many of our local governments are facing similar fiscal challenges as a result of the national economic recession. Since many cities and counties have already had to cut services, borrowing nearly \$2 billion from local government would not be our preferred solution. Not only would we be obligated to repay this money within three years -- including interest -- but taking such an action would do nothing to help us solve our ongoing structural deficit.

This past February, we were able to enact the 2009-10 budget by resolving the \$42 billion shortfall that faced us at that time. The deepening recession and its consequent reduction in revenues have made it necessary for us to take additional action now. We know that we must bring our expenditures in line with our updated revenue projections. In order to do so, we are prepared to make cuts in all areas of the budget -- public education, higher education, corrections, and in the health and human service programs. We are not, however, willing to agree to the wholesale elimination of important public investments in order to accomplish those reductions, as the Governor is proposing.

Were we to agree to the Governor's call for the dismantling of the Healthy Families program, for instance, it is your emergency rooms which would become the service provider of last resort. That does not make any sense from a fiscal standpoint, and is not an acceptable solution to us, and probably would not be to you either.

We are taking quick action to forestall the cash crisis that faces us in late July. The members of the Budget Conference Committee have been listening to hours of public testimony from concerned citizens on how the various cuts that the Governor has proposed would affect their lives. They have already taken a number of specific actions to approve, reject or amend the Governor's proposals and more are decisions are anticipated shortly as they expect to complete their work on Sunday or Monday.

Honorable Dianne Jacob

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The full Senate and Assembly intend to begin voting on their recommendations, and a comprehensive package of budget cuts as early as next week.

During these challenging times, the best solution to California's problems is for elected officials at the state and local levels to work together cooperatively. Several major city mayors and county supervisors have recently traveled to Sacramento to share their concerns and suggestions with us. San Diego Supervisors' ideas would be welcome, as well.

Sincerely,

Christine Kehoe

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