



# Contra Costa County

To: Board of Supervisors  
From: Supervisor John Gioia  
Date: January 26, 2010

Subject: UCC Study on State Budget Impacts

## **RECOMMENDATION(S):**

ACCEPT report for discussion from the Urban Counties Caucus, entitled "State Budget Education Project: Enabling County Governments" and DETERMINE action to be taken.

## **FISCAL IMPACT:**

No direct impact to the County from the development of this report.

## **BACKGROUND:**

Established in 1991, the Urban Counties Caucus (UCC) exists to further the interests of California's high-population counties. These 12 urban counties represented by UCC are geographically spread throughout the State – across Northern California, Southern California, and the Central Valley – and contain over three quarters of the State's population. They include the counties of : Alameda, Contra Costa, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, and Ventura. For 2010, Supervisor Gioia serves as Vice Chair of the UCC Board of Directors.

Although diverse, urban counties face many similar problems. Notably, they experience the majority of the State's caseloads in the health, human services, and corrections areas. As a

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/26/2010** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

### **VOTE OF SUPERVISORS**

AYE: John Gioia, District I  
Supervisor

Gayle B. Uilkema, District II  
Supervisor

Mary N. Piepho, District III  
Supervisor

Susan A. Bonilla, District IV  
Supervisor

Federal D. Glover, District V  
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 26, 2010

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: L. DeLaney, 5-1097

cc:

result, they operate large entitlement programs on behalf of the State. It is not surprising, then, that in recent years the State's dire fiscal position has dramatically affected urban counties. The State has had to significantly cut spending on health, human services, and corrections (as well as education).

According to the Legislative Analyst's Office, the State budget for FY 2009-10 contains General Fund and special fund spending levels that are 15 percent lower than spending levels from just two years ago. Moreover, the State has redirected property taxes, transportation funds, redevelopment funds, and other money intended for counties to State uses.

UCC believes that it must take proactive steps to protect urban counties from future State budget cuts, especially since the State budget outlook for FY 2009-10 and 2010-11 continues to worsen. Research and analysis that illustrates how California counties have borne the brunt of State budget cuts could assist UCC in educating policymakers on the impacts of the cuts.

## BACKGROUND: (CONT'D)

### Project Scope

UCC wishes to demonstrate the burden that State budget cuts have placed on California counties in recent years. As part of this effort, UCC will answer the following questions:

- What is the total magnitude of State budget cuts to counties in the areas of health, human services, and corrections?
- What percentage of total county budgets do these cuts represent? What percentage of total state spending to these cuts represent?
- How have these cuts changed over the past five years?
- How much has the State diverted county resources or deferred payments, such as transportation, human services and redevelopment funds, to State ends?
- What percentage of total county budgets do these diversions represent? What percentage of total state spending to these diversions represent?
- How have these diversions changed over the past five years?

Although UCC and the counties maintain a considerable amount of budget program data, until now they have not had the opportunity to aggregate it into a coherent and easily referenced format. Chang & Adams Consulting has been retained to conduct research and analysis on State budget effects on counties to answer some or all of the above listed questions. This study could be used to share information with State and local policymakers on the significant impacts that State budget cuts have had on counties. It could also be used to help communicate the plight of counties to county stakeholders and the media.

At this time, the consultants have received information on programs and funding levels from 11 of the 12 urban counties. (Data from San Francisco County is expected shortly). A copy of the preliminary report is included as an attachment.

A question has come up regarding the data for IHSS from Los Angeles County. Looking at the budget detail shows total statewide appropriations of \$5.4 B for IHSS. The study reports closer to \$1.4 B. Since IHSS is broken into two parts (Services and Administration), the consultants believe that some counties may have only reported administration costs, while others reported a mix of admin and services. The consultants will be contacting counties directly to address this data issue.

An amended report may be provided at the Board of Supervisors meeting on Tuesday, January 26, 2010.

### Key findings of the study include:

- Over the past 6 fiscal years, federal and state support for the social service programs has steadily decreased while the counties' support has increased. Since FY 2004-05, the

urban counties' relative support for these programs grew by about 14 percent.

- The shift in responsibility for the social service programs has placed a substantial (and still growing) burden on counties. The counties' financial contributions are increasing by about 5.6 percent every year, compared with only a 2.8 percent annual growth in federal and state contributions.
- The decline in federal/state support for social service programs generally has meant an erosion in the real level of benefits over time for program recipients. Total contributions (federal/state and county) per caseload declined in real terms since Fiscal Year 2004-2005 for every program except Child Welfare.
- Child Welfare is a sizable program, totaling more than \$3.0 billion in 2009-2010, and over the last six years county funding responsibility has risen from 14.4 percent to 22.1 percent.
- California counties have experienced a transportation-funding deficit of at least \$135 million during the last six years.

#### CONSEQUENCE OF NEGATIVE ACTION:

#### CHILDREN'S IMPACT STATEMENT:

#### ATTACHMENTS

State Budget Education Report

Jan 22 UCC Report