

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

JUNE 22, 2009

Budget Advocacy Motion

The County budget continues to be significantly impacted by the State's inflexible budget process. Since the passage of Proposition 13 in 1978, the State has been largely reliant on revenues from personal income and capital gains taxes, which are most negatively affected by economic downturns. Proposition 13 also severely limited property taxes and inspired changes in the alignment of revenue streams. These changes restricted the ability to address the State's dramatic swings in revenue and voter-approved obligations to fund a variety of government programs and services including public education. Furthermore, the State constitution's requirement of a two-thirds vote to approve the budget or increase revenues, term limits, partisan redistricting and special interest financing of campaigns have intensified partisanship. These factors make it virtually impossible for the Legislature to approve a balanced budget on time with nominal bi-partisan support and without resorting to borrowing and accounting gimmicks, reductions in core services, and/or escalating fees and taxes. Delays in finalizing the State budget in turn severely distort the County's budget process by prolonging it and creating uncertainty. For

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MOTION

MOLINA _____

RIDLEY-THOMAS _____

YAROSLAVSKY _____

ANTONOVICH _____

KNABE _____

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vendors, contractors and service providers, many of whom are small businesses and non-profit agencies, such uncertainty hampers their desire and ability to conduct business with State and local government.

At this time, the County is exploring all possible options, however painful, to resolve its own budget gap. Since the County depends upon the State for over 20% of its funding, it is imperative that the County advocate for changes that are critical to improving the overall State budget process.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS:

Instruct the Chief Executive Officer to work with the County's Sacramento Advocates to pursue the following position:

- (1) Increasing budget accountability by reducing the two-thirds vote requirement for enacting a budget and increasing revenues;

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