

area below the poverty line... percent.

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County faces even deeper budget cuts

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Even before they know details on all the budget cuts for the current year, Santa Cruz County supervisors are bracing for even deeper cuts for the next fiscal year.

The state, which provides a large portion of the county's budget, is talking about cuts in police, courts, library services, parks, and health and social services, County Administrative Officer Susan Mauriello said in a memo to supervisors for tomorrow's meeting.

The state has been facing serious financial problems for the last several years and has continually cut allocations to local governments.

For the 1993-94 fiscal year, which begins in July, the state is looking at reducing the allocation of property taxes to local governments by \$2.6 billion and cutting court funding by \$125 million. The state is hoping to get \$1.3 billion from the federal government for local health and welfare programs, but there is no guarantee that money will come through.

Mauriello said the state is also looking at cutting welfare payments by 4.2 percent, and eliminating certain Medi-Cal benefits.

The \$2.6 billion in property taxes "taken away" from local governments would be allocated to schools. The proposal has been bitterly contested by local govern-

ments, Mauriello said.

There is one plan in the works that could help Santa Cruz County but wouldn't solve all the budget problems.

It's called the Local Government Fiscal Reform Act, which would shift some tax revenue that now goes to the state to cities and counties.

When state voters passed the Prop. 13 tax reform measure in 1978, property tax rates were frozen. Since then, counties that had high taxes rates before 1978 have been getting a bigger share of property tax revenue than those that had low rates.

Santa Cruz County has been getting 22 percent of the tax revenue collected in the county; the state average is 30 percent.

After San Diego County challenged the uneven distribution in a lawsuit last year, a Superior Court judge there ruled that the state needs to equalize the payments. The case has been appealed, and there is no final ruling.

The Local Government Fiscal Reform Act has a number of components that would lighten the blow for counties now over the average. If it is eventually passed by the Legislature, Santa Cruz County would get \$10 million to \$15 million more from the state, county administrative analyst Pat Busch said.

The county budget is now about \$270 million annually.