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# County budget cuts are only a 'six-month fix'

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SANTA CRUZ — A "six-month fix" is all supervisors will be giving the county's financial situation by slicing \$2.9 million from the budget this week.

More budget cuts are expected in June, supervisors were told Tuesday afternoon during the opening session of a mid-year budget hearing that will continue through this week.

"We are in a situation where we're putting a six-month fix on the budget until June . . . Isn't that the case?" Supervisor Robley Levy asked the budget experts.

Pat Busch, the county's top budget analyst, agreed. "I don't think you can say with any confidence you've hit bottom," Busch said.

The \$2.9 million in cuts being recommended to eliminate the county's budget deficit don't take into consideration further reduc-

tions in state funding expected before the end of the fiscal year June 30, County Administrative Officer George Newell said.

The cuts recommended by Newell involve eliminating approximately 48 positions beyond the 136 positions that were cut since June.

Tuesday morning supervisors rejected Newell's proposal to cut eight deputies, meaning they'll have to cut elsewhere to make up the \$100,000 they would have saved.

If \$2.9 million is slashed from the budget by the week's end, it will mean that this year's general fund budget will be smaller than last year's.

The county would end up with a general fund budget of \$71.9 million compared to last year's \$73.7 million.

The general fund budget — which is what's being cut this week — doesn't include the road fund, the Comprehensive Employment and Training Act program, the Health Services Agency, special districts,

county fire services and the library fund.

Board Chairman Joe Cucchiara called it "historically significant" that the budget will be 2.5 percent under last year's budget.

Budgets in the past have been cut, but always ended up higher than the previous year's budget due to salary hikes and increases in supply costs, he said.

The county is suffering more than most counties in the state because of a series of unique circumstances, Busch said.

The county has a higher-than-average population concentration (around 54 percent) living in the unincorporated area, it's been hit with a string of expensive homicide trials, it experienced one of the highest delinquency rates in property tax payments in the state and it suffered the costs of devastating storms in 1982.

The county, Newell said, had to spend about \$400,000 out of its own coffers for storm damages.

But the county's problems started long before this recent series of unique and costly events, Busch said.

Even with inflation taken into account, the money the county has control over (unrestricted revenues) has declined 34 percent since 1977-78, Busch said.

This decline was caused by the passage in 1976 of Proposition 13, the property tax cut measure and by the state budget policy which annually results in a reduction of local funds. It was also affected by the compounded effects of years of high inflation and by federal policies which make it impossible to plan for the future.

There's been a dramatic shift since the passage of Proposition 13 in how the county spends these unrestricted funds — much to the benefit of the justice system, Busch said.

Before Proposition 13, the county spent 28 percent of these funds on

the justice system, 39 percent on human services and 33 percent on all other functions.

With the budget cuts as recommended by Newell, the county would be spending 51 percent of unrestricted funds on the justice system, 24 percent on human services and 25 percent on all other functions, according to Busch.

And this 51 percent going to the justice system will be even higher with the board's decision not to cut deputies.

While the \$2.9 million cut represents a nearly 10 percent cut in county costs, it actually is a 20 percent cut because it's taking place over a six-month period, Supervisor Gary Patton pointed out.

"That can't be stressed too much to the people of the community . . ." Patton said. "Think about taking a 20 percent cut in your income or reducing the effort of what you're doing at work by 20 percent. That's one-fifth!"