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BUDGET (CITY/COUNTY)  
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# Emotional opening for budget hearings

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"Welcome to the George Deukmejian-California Legislature budget reduction hearings."

The sarcastic words of Santa Cruz County Supervisor Fred Keeley set the tone for the opening of three days of pain and misery as county supervisors, through a combination of cutbacks and revenue-raising measures, try to erase a \$5.6 million budget shortfall forced on the county by the state and a

faltering economy.

"This summer," Keeley went on, "we witnessed one of the most appalling scenes in recent history — a Legislature looking towards the next election and a governor who, after eight years of mean-spiritedness, decided that a whole lot more of mean-spiritedness was better."

"The counties are being asked to do the Legislature's dirty work — balance the fiscal woes of government on the backs of

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## BUDGET

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poor people, the disabled, the mentally ill and, to a lesser extent, the general public. We have to decide what is the level of service necessary for a community to respect itself."

County Administrative Officer Susan Mauriello has recommended a series of measures to raise new revenues for the county treasury.

One that county officials believe they have no choice about is to collect \$2.1 million from school districts, cities and special districts such as fire departments, for property tax assessment and collection.

Incoming County Superintendent of Schools Diane Siri urged the county to defy the state and not collect the property tax administration fees — at least for this year.

Mauriello also suggested that the county collect \$71 per prisoner for booking arrested people at the county jail.

The Legislature also gave the county the power to levy business license and utility taxes. Businesses operating in the unincorporated areas of the county, under Mauriello's proposal, would pay at least \$127 annually for business licenses.

The proposed 7.25 percent utility tax would generate more than \$8 million a year for the county. If approved, it would take effect in April.

Pajaro Valley supervisor Sherry Mehl said she would fight for an exemption for agriculture from the utility tax. She also said she'd fight to keep the Watsonville courthouse open, to keep health services available to people who have no insurance, to continue Women's Crisis Support and to maintain the current county employee level.

Board chairman Robley Levy said she was "seeking a balance that is bearable. It will not be painless but the pain will be shared as much as possible."

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Nearly 150 people, many who are mental-health workers and patients, packed the supervisors' hearing room this morning to protest proposed cuts in the county's health and mental health programs. Other speakers suggested a revolt against the mandates of the state Legislature. Still others urged the board to adopt the utility tax and the business license tax.

Siri asked the board to join seven other counties in California in refusing to collect the property tax administrative fee.

The Pajaro Valley school district, for example, will pay \$385,000, Siri told the board and Mauriello. That's a third of the cost-of-living adjustment the school district received this year from the state.

The proposed cutbacks in the Medically Indigent Adult program, said outgoing Watsonville Community Hospital administrator Paul Estess, will destroy the county's medical care system.

Watsonville's hospital has been losing money steadily since the October 1989 earthquake, prompting layoffs and staff changes affecting 80 jobs (see story on page 1).

Estess told the supervisors that 75 percent of the hospital's patient load since the earthquake has been government-subsidized. The hospital loses money on those patients — collecting 61 cents for every dollar billed.

"It is expedient to lay blame at the governor's and Legislature's doorstep," Estess told the supervisors, "but it was the people who voted for the governor and voted for Prop. 13."

"Shame on you," he said, turning around to the audience.