

County cuts begin

Budget 6-17-03

GOP, Democrats work on state budget plan

Vets services may be saved from trims

By JEANENE HARLICK
SENTINEL STAFF WRITER

SANTA CRUZ — The first day of county budget hearings got off to a dramatic start Monday as supervisors asked for greater monitoring of county-funded nonprofits and all but committed to keep veteran services intact.

The board approved big cuts to social services while keeping funding to community nonprofits level at \$4.3 million. The county is struggling to bridge a \$4.5 million shortfall for fiscal year 2003-04 that's largely the result of big increases in personnel, workers compensation and insurance costs.

Social services, losing 33 staff positions Monday, will likely be hardest hit during the hearings, which continue for the next two weeks. Most of those positions already are vacant, with nine layoffs, at most, expected.

Job training, food stamp and senior programs took the biggest hit Monday. County officials predicted a rise in elder abuse due to cuts to staff workers who process probate conservatorships. The number of uninvestigated cases — the result of an already short-staffed department — is expected to jump from 200 annually to 250.

Supervisor Mardi Wormhoudt summed up the sentiment of the board: "It feels like (we're) sort of presiding over the decline and fall of civilization here."

A Sentinel article detailing poor financial oversight of county-funded nonprofits took center stage in the debate Monday. The article,

See **BUDGET** on **BACK PAGE**



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The image of County Health Services Director Cecelia Espinola talking to county supervisors is reflected from a live Community Television broadcast screen during county budget hearings Monday at the County Government Center.

State lawmakers propose a deal

By TOM CHORNEAU
THE ASSOCIATED PRESS

SACRAMENTO — One day after missing the constitutional deadline for adopting a state budget, two lawmakers from both parties said Monday they have a compromise spending plan to present to the Legislature.

Assemblymen Keith Richman, R-Granda Hills, and Joseph Canciamilla, D-Pittsburg, are expected to unveil their budget plan Tuesday at a news conference — but so far they are not disclosing any details.

"We will tomorrow," said Richman, who along with Canciamilla had been hosts of

closed-door meetings for several months with as many as a dozen lawmakers from both parties looking at fashioning a bipartisan agreement.

There had been some press reports suggesting that the group was considering a compromise plan that included tax increases that Republicans would support in exchange for deeper spending cuts and a guarantee from Democrats that they would embrace a spending cap.

Gov. Gray Davis said Monday that a copy of the Richman-Canciamilla plan had been given to his office but only a broad outline of the proposal had been relayed to him.

"If this is a plan in which we can reinvigorate the budget discussions, then I welcome it," Davis said. "We will just have to wait and see what kind of a reception it gets both in the Assembly and the Senate."

Davis, who spent part of his afternoon with his budget staff looking closely at cash flow projections, also said that while the state has recently completed a \$11 billion bond sale that was expected to give them enough cash to last through August — there are growing concerns that the money might only last through July.

Davis noted the state is spending \$250

See **STATE** on **BACK PAGE**

Budget

Continued from Page A1

which highlighted apparent red flags the county has overlooked, drew fire from nonprofit leaders and some county supervisors.

"Very frankly, I thought the article in the newspaper was not a balanced report," Wormhoudt said, adding she didn't think the article put financial figures in their proper context.

Supervisor Ellen Pirie agreed.

Beth Love, president of the Human Care Alliance, a coalition of nonprofits, said the article misrepresented agencies while pitting them against local veterans, who are funded out of the same pot of money.

"It's very unfortunate that it created an illusion of separate and distinct needs between groups of people," she said. "We are a united constituency."

Love and others repeatedly emphasized that every county dollar brings as much as \$17 of state, federal and donor aid through leveraging.

Supervisor's Jeff Almquist and Tony Campos responded differently to the Sentinel report, requesting greater oversight of community organizations. Almquist expressed dismay over not having learned of the financial struggles of some area nonprofits sooner from staff.

"It's difficult to read about it for the first time in the newspaper," he said.

Almquist asked staff to return at the end of hearings with a plan for making nonprofits more accountable for the county money they spend. That should come in the form of proof of improvements the groups make in the lives of residents, he said. Almquist also wanted to see a greater tie between the annual \$4.3 million giveout and the commu-



The strain of having to cut services for county residents shows on Supervisor Jan Beautz as budget hearings opened Monday.

Shmuel Thaler/
Sentinel

nity's real needs.

Campos said the county should consider dedicating money toward auditing county-funded agencies and training local nonprofit boards in fiscal management.

"We really have to look at running our agencies in a business manner," he said. "I've worked with organizations that are teeter-tottering on the edge of disaster."

In last minute requests, the county auditor and social services director asked for additional resources to monitor local agencies. The requests included an extra analyst for the social services department and more staff time for audits in the county auditor's office.

The board was poised 3-2 in favor of maintaining veteran services by day's end. Social services director Cecilia Espinola had recommended virtually eliminating those services to bridge her budget gap.

The recommended cuts, which would save \$180,000 yearly, would close the veterans service office on Front Street, slash staff from five to two, and reduce hours in a Watsonville office from four days a week to one.

Local veterans asked supervisors to spare them Monday, saying the county's already-small veterans office is overwhelmed by nearly 2,000 cases yearly — with need expected to increase as veterans of the Iraq War return. The office has been vital in helping vets cut through bureaucratic red tape to access services, veterans said.

"They got me through all the hurdles the Veterans Administration puts up," said disabled veteran David Barlow of La Selva Beach. "You don't know how much of a lifeline this is to veterans."

Veterans also said the program saves the county money by reducing the number of uninsured and pensionless veterans taxing local services. The office brought in an additional \$2 million in revenue this year, according to county social services.

Supervisors Campos, Almquist and Jan Beautz asked staff to find a way to keep veterans services intact. Staff will report back June 26, the last day of budget hearings.

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