

Pian hits counties in pocket Sacramento would be short by \$10 million

By Patrick Hoge
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Gov. Pete Wilson's budget proposal would leave a \$241 million shortfall for California counties next year by shifting various costs between the state and local government.

For Sacramento County, that translates into roughly a \$10 million problem - bad, but not nearly as bad a hit as the previous two years when the state took \$95 million in property taxes from Sacramento County alone.

"They're not proposing another huge property tax shift as in the past," County Executive Bob Smith said.

On the plus side, the governor has suggested relieving counties of trial court expenses. But Wilson also plans to ask counties to pay for a larger share of welfare - which is a greater cost for many counties, including Sacramento.

The governor's plan suggests that counties can make up the shortfall through health and welfare cuts.

That depends, however, on getting agreement from the Legislature and federal waivers allowing for welfare cuts, said Russell Fehr, a principal analyst for Sacramento County, who plans to brief the Board of Supervisors on the proposed budget in late February.

Wilson wants to relieve counties of unfunded mandates currently imposed by the state - for example, the required maintenance of minimum general assistance payments and the provision of medical benefits

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to the indigent.

Kevin Aslanian, executive director of the Coalition of California Welfare Rights Organizations in Sacramento, called the governor's proposal "an assault on families and children."

"He's attacking women with children who are trying to raise their families on \$600 a month, while he is living on a . . . expense account. He needs to get off welfare himself," Aslanian said.

Under Wilson's proposed realignment of state and local responsibilities, counties would fund 25 percent of the Aid to Families with Dependent Children program. Wilson believes that would be an incentive for counties to be more efficient and reduce costs.

Sacramento County currently picks up only 2.5 percent of its AFDC payments, Fehr said. "Anytime you reduce administrative oversight at the state level and give counties the opportunity to make decisions . . . there's potential savings," said Carol Whiteside, director of the governor's office of intergovernmental affairs.

"We recognize frankly that there's more creativity in the 58 counties than in the state bureaucracy. There's just more people who see the elephant differently," Whiteside said.

The governor proposes to reduce AFDC payments 7.7 percent in September in addition to 2.3 percent in March. And the governor wants to reduce grants to all able-bodied adults - not their children - by 15 percent after six months, cutting them off completely after two years.

Since 1991, the cost of AFDC and health care for poor people has grown four times faster than the California population, Whiteside said.

In exchange for the counties taking more of the AFDC burden, the state would shift \$710 million to counties for child welfare programs. The counties would then have more flexibility in running the programs.

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Wilson also has proposed eliminating a number of optional Medi-Cal benefits, from podiatry to adult dentistry; eliminating state-funded prenatal care for undocumented women immigrants; and suggesting the Legislature reject last year's proposal for a \$56 million program to provide pediatric care to the working poor who are not eligible for Medi-Cal.

And the state would return \$311 million in fines and forfeitures that it took from counties in 1992.

Fehr and officials with surrounding counties said they were just beginning to study Wilson's proposal, which is likely to be significantly altered by the Legislature before being adopted.

"I got a briefing last week about the impact on counties as a whole, but how that translates to numbers for this county I don't know," said Myron Blom, a principal administrative analyst for Placer County.

Tom Gardner, interim Yolo County administrative officer, said it was simply too premature for him to comment.

Paul McIntosh, administrator of El Dorado County, said he planned to wait to take a detailed look.

"It really doesn't do you any good to do the analysis until you see a legislative proposal because it's based on so many assumptions that could change," he said.

Wilson's proposal would have a "very uneven" impact on counties depending on their trial and welfare caseloads, said Peter Schaafsma, a local government expert with the Legislative Analyst's Office.

For example, Merced County Administrator Clark Channing said that picking up 25 percent of its AFDC payments cost the county an additional \$18 million, while shifting trial court funding to the state would save only about \$3 million.

Whiteside acknowledged the potential for varying impacts and said the governor will work with specific counties to address situations like Merced, where about 38 percent of the population is on some kind of public assistance.

Fehr said Sacramento County did significantly better last year than expected because county departments managed to save \$80 million, primarily by leaving positions empty. In addition, the county's sales taxes in 1994 improved by 8 percent, much faster than expected, but property taxes have not increased at a similar rate.

It is likely to take two more years for the county to make a full recovery from the recession, Fehr said.