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Butte County Officials Express Concerns over Delays in State Payments

News Release

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Oroville, CA – Butte County officials expressed grave concerns over the decision by the state to delay payments to counties effective February 1, 2009, including money for vital health and human services and road projects. If payment delays continue for the next seven months, as proposed by Governor Schwarzenegger, Butte County will lose over \$40 million (\$37 million in health and humans service and \$3.4 million in road funding), which will have a devastating impact to local services.

As political subdivisions of the state, California counties run various programs on behalf of the state. These include critical health and social services such as CalWORKS (welfare to work program), administration of Medi-Cal eligibility, mental and drug/alcohol treatment, and child protective services among many. The state, in delaying payments, is passing its cash crisis to counties and putting health and social programs as well as road projects at risk.

“Butte County cannot act as an ATM for the state. We just don’t have the money to run state programs for seven months without adequate state funding. It’s one thing to not get paid for a month. It’s something entirely different to not get a paycheck for seven months. For many people, this will cause the loss of their home. For Butte County, it will mean closing the doors of some County departments,” said Bill Connelly, chair of the Butte County Board of Supervisors. “The decision to delay these payments is untimely as demand for County services has recently drastically increased. In this very difficult economic climate the state government must make difficult decisions and balance its budget without passing its cash crisis to counties and hurting our constituents.”

Butte County officials cautioned that even if the state passes a budget soon that does not further impact counties, Butte County will continue to reduce staffing and services over the next several months as it adjusts to past state actions, inactions, and major revenue declines. At the February 10, 2009 Board meeting, Butte County officials will present the FY 2008-09 2nd Quarter Financial Report, which will detail the fiscal picture of the County.

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