



SAN DIEGO COUNTY CHAIRWOMAN
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STATE OF THE COUNTY ADDRESS

Ready for the Challenge
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Good evening and welcome.

San Diego County government begins its 159th year.

As the Chairwoman of our board, it is my responsibility to tell you the state of our County and to outline our plans to navigate an uncertain future.

Across the nation the news is bleak: layoffs, cutbacks, bailouts and fear.

In his inauguration speech last month, President Barack Obama described “gathering clouds and raging storms.”

Well, those storms are battering our region. We see dire unemployment, a record decline in the housing market and a troubling drop in tourism.

Against this backdrop of bad news, I have a small amount of good news to report.

Let me be clear: what lies ahead is treacherous. The good news is County government is in a far better position than most to navigate rough waters.

We will draw from our legacy of strict fiscal discipline to illuminate the ominous days before us.

Instead of taking cover, we will become even more innovative, turning to technology and creativity to keep the people’s business running.

It has been said that these unprecedented times will test government more so than at any time since the Great Depression.

County government is ready for the challenge. We accept that there will be hardship, but we will cope, not cower. We are determined to emerge stronger on the other side.

Our budget is balanced. We don’t spend more than we take in. And, we keep an adequate emergency fund.

Standard and Poors— the trusted Wall Street credit ratings agency— recently raised our rating to AAA.

Here’s what S&P said about our County: “...very strong financial management...continued strong reserve position... demonstrated track record of meeting or exceeding forecasts.”

Our pension fund rating remains strong at AAA. Our investment pool rating is the highest possible.

Just as significant, customer surveys show that our workforce is meeting public expectations 94 percent of the time.

For more than a decade, we've worked hard to live by the code of our General Management System.

This award-winning document is painfully boring to the average San Diegan. But in County hallways, it's known as the mighty GMS.

With Chief Administrative Officer Walt Ekard and his talented team at the wheel, the mighty GMS constantly holds every department accountable for spending and productivity.

In the last decade, we've saved \$380 million by inviting the private sector to help us deliver quality services at the best price for taxpayers.

It's true we retain our title as one of the best-managed local governments in the nation. Yet, at this moment, all of these gains are on the line.

The County is staring down a financial triple whammy.

The first hit: local revenues have tumbled some \$90 million. These include sales and property taxes that fund our parks, libraries and law enforcement

The second hit: stock market losses are squeezing our pension fund.

Finally, there's the state's massive budget shortfall.

About three-quarters of our operating budget comes from the state. Unlike California cities, county budgets are made up of state health and social service programs like foster care, mental health and care for people with disabilities.

After a decade of sham budgeting, the state's finances have been mismanaged to a grinding halt. Hours ago, the governor and legislative leaders reached a tentative deal to close the State's budget gap.

We know cuts are included in the deal but we don't know the magnitude. The best information we have still indicates that the cuts will be the most severe ever.

To close its widening budget gap, one of the state's schemes is a plan to put off some \$100 million in aid payments to foster families, disadvantaged children and their struggling parents.

Apparently, state legislators see nothing wrong with collecting their paychecks, while aid checks to more than 63,000 "at risk" San Diego children hang in the balance.

On Monday, the County mailed important letters to San Diego's most vulnerable families. The letters explain that the state intends to withhold payments to foster families, the poor and "at risk" children.

Tomorrow morning, members of this board will get on a plane and head to that great logjam in the north, Sacramento.

There, we will link arms with a growing coalition of counties. Together, we will not let the state's budget problems become our own. We are fighting back.

This Friday will mark the first scheduled delay of payments by the State.

Our County is joining with other counties to file a lawsuit in response. Including San Diego, 23 counties and counting are prepared to keep the State from shirking its obligations.

The state has been on the losing end of more than one lawsuit filed by this County.

We have a proven track record.

Even the most well-intentioned state programs have been allowed to spiral out of control.

Consider the In-Home Support Services Program, a program that should be saving the state money. Instead, its costs have mushroomed to \$4.5 billion statewide.

Ethically and morally, few things are more important than the intent of this program: to keep people who are severely impaired in their homes, instead of in costly skilled-nursing facilities.

The program employs many wonderful, hardworking caregivers who tend to fragile children, adults and seniors everyday.

However, if you talk to the people who run the program, they describe a dangerous, free-for-all, administrative nightmare, one putting lives—and the future of the program—at risk.

Timecards are turned in on the honor system so there's no way to validate actual hours.

Recently, 24 people were charged with bilking more than \$2 million in faked services in Los Angeles.

Background checks should be mandatory for all caregivers. They're not.

Consider the patient beaten unconscious last July. Had the checks been in place, his caregiver's lengthy criminal history would have come to light before the brutality.

Over and over, the Governor has attempted to reform the program. He's been rebuffed at every turn! Instead, its costs have escalated. The price tag is now \$260 million in San Diego alone—a figure that could easily double over the next eight years if its growth remains the same.

That's why I will ask my colleagues to support legislation calling for a complete overhaul of this program. Its abuses demand our attention.

Adding to our standoff with the state, Wall Street has delivered a jaw-dropping blow to our pension fund.

With a 30 percent decline, we have fared better than most. Still, our \$2.5 billion loss is staggering.

Even if the market bounces back, the required contribution by the County is expected to triple over the next five years.

The hard reality is this: current benefits are not sustainable. Many governments are considering drastic changes.

From returning to a two-tiered pension system, to increasing the retirement age, to asking employees to shoulder more of their contribution, all of these ideas should be on the table to keep the fund healthy.

I believe our employees and our labor unions understand the gravity of our economic situation.

A government that cannot stay afloat helps no one. There are really only two choices here: pick up an oar and row, or watch as we take on water.

Not that long ago, this board managed to curb the rising costs of retiree health care. At that time, guaranteed pension benefits for our retirees were in jeopardy, along with the County's credit rating.

The process wasn't popular or pleasant. In the end, we saved taxpayers \$1.8 billion while preserving health benefits for the most needy and elderly of our retirees.

More unpopular decisions are on the horizon. Fewer dollars mean fewer services and fewer people providing them. We will do more with less.

We are handling this situation the best way we know how: by being open and direct. We value every employee. And, we are doing all we can to see that employees are treated fairly.

As always, public safety must remain our highest priority.

For the first time since the 1970s, we are back in the fire protection business. Even before the horrific 2003 Cedar Fire, the County was working to strengthen the patchwork of poorly-funded fire agencies in our Backcountry.

Some far-flung areas had no protection whatsoever.

The last time I delivered a State of the County address, I said rural fire protection was a regional problem because when it comes to wildfire, what happens in Ramona doesn't stay in Ramona...or Julian or Campo.

Today, the County's commitment to spend \$15.5 million annually to consolidate rural agencies means full-time coverage at more than 50 fire stations throughout the unincorporated area.

Ultimately, more than half the county—1.5 million acres— will fall under the newly formed San Diego County Fire Authority. This translates into faster response times, especially to medical emergencies. And, we'll have a better shot at snuffing out wildfire when it's small.

This past Election Day, an astounding number of voters said they want to invest in better fire protection— 63 percent. Credit goes to Supervisor Ron Roberts and City of San Diego Mayor Jerry Sanders.

I am committed to working with fire officials to see that this region is the best prepared that it can be. Our first step: a sweeping review of our system. This will tell us what's working and what needs to change.

I know that pennies are tight, but in the months ahead, I will ask my colleagues to fund this critical blueprint.

Some believe we can't fix the \$450 million dollar system without a new tax. I say we should realize efficiencies first, particularly when it comes to dispatch and training.

It's a matter of "when" not "if" the next wildfire will break out. We can't afford to be unprepared.

The region's crime rate is down. Many call that remarkable in a bad economy. I say, much of the credit goes to the two highest-ranking law enforcement officers in the region: District Attorney Bonnie Dumanis and Sheriff Bill Kolender.

Bonnie and Bill know that DNA technology has revolutionized criminal investigations. Soda cans and cigarette butts are leading investigators straight to perpetrators through positive matches on the state's criminal database.

At the very front of the DNA phenomenon you will find our County. We were CSI before CSI was popular!

Our lab is adept at matching murders and sexual assaults, but our new "Rapid Response DNA Team" is a first in California. Today, we're matching property crimes like robberies and car thefts.

We will likely process more than 2,000 analyses this year— triple the number from four years ago. Last year, we had over 200 "cold hits."

That's 200 suspects we never would have identified a few short years ago.

DNA technology is reaping benefits beyond even expert imaginations.

We can also use technology to stop repeat DUI offenders. I'm referring to the 3,000 reckless San Diegans who already have drunk driving convictions but proceed to get drunk and take to our roadways yet again.

These irresponsible drinkers make up one-third of all DUI arrests. They alone can prevent the deaths of some 120 innocent San Diegans every year.

Next month, I will ask my colleagues to back state legislation supported by Mothers Against Drunk Driving to increase the use of ignition interlocks. Our goal is to become one of four pilot counties to keep first time offenders from striking again.

It's simple. If an offender wants to take to the road, he or she must blow into the interlock. If the driver is drunk, the car won't start. Best of all, the offender picks up the tab.

These devices, no bigger than a cell phone, can be the breath of life, literally.

Try as we might, we cannot seem to gain the upper hand on gang-related crime. San Diego County is home to at least 10,000 gang members.

One in three people arrested for crime in our County claim current or prior gang association— men and women. Four in ten homicides are gang-related.

I was talking to a longtime gang investigator who described arresting a fourth generation gang member from the same family. At the scene, a boy of maybe ten watched from a doorway.

The investigator said that in a few short years he knew he would be back to put a fifth generation in handcuffs.

Thanks to the leadership of Supervisor Bill Horn and others, our region is gifted at documenting, arresting and prosecuting gang members. We already have specialized task forces who know the ins-and-outs of the gang culture in nearly every embattled neighborhood.

Agency cooperation is not the problem; the Probation Department, the Sheriff's department, the DA, State agencies, federal agencies...they can't work any harder!

Law enforcement veterans of the gang wars are all saying the same thing: Let's work smarter. Gang experts want to build on what works.

The plan is to embed willing pastors, coaches, teachers and mentors alongside officers during sweeps and gang operations. The criminals may go to jail but their children standing in doorways get options.

We need to show the young sons and daughters of gang members the way out of gangland. The faith based community does this. Literacy programs do this. Mentors and sports and the arts do this. Staying in school, does this.

We can't arrest gangs out of the region. Not when a street gang is the only functional family a young person knows. Not when gang membership is a forgone rite-of-passage for some 12-year-olds.

In the year ahead, you'll hear more about how we plan to build safer, fear-free communities, one child at a time.

Our laser focus on street gangs is proof that the County can respond to the problems that ail us most.

This is true with our infrastructure. We do not bide our time as the people's buildings crumble around us, wasting money and impeding services. Instead we repair and replace to maximize the efficiency of our buildings.

Weeks ago, we opened the compassionate new doors of the 192 bed Edgemoor Skilled Nursing Facility.

We are completing construction of a new Medical Examiner and Forensic Center. We just opened new cottages for foster teens at the San Pasqual Academy.

Soon, we will break ground on one of the most significant projects in the history of our County: a new Operations Center. This one-stop, "energy efficient" shop, will consolidate services and do away with expensive leased space.

In the years ahead, the project will put more than 3,500 San Diegans to work as architects, builders, technicians and journeymen. We are doing this without the help of the economic stimulus package out of Washington D.C.

Still, County shovels are poised for those stimulus funds. More than \$731 million in projects are ready to launch at a moment's notice.

We have asked that our share of the funds come directly to us so we can put people to work without delay.

The health of the economy is not helping regional health services. State budget cuts will undoubtedly hit health and social service programs the hardest. We will put our dollars in the places where they stand the greatest chance of doing the most good for the most people.

We already know that— in some situations— the private and non-profit sectors can perform services cheaper than government without compromising quality.

I will ask my colleagues to seek the prudent course and request that County staff identify additional services for outsourcing. This may be the only way to keep some programs alive.

A powerful tool already in place can help too. When you need an ambulance or a sheriff's deputy, you call 9-1-1. When you need drug treatment or care for an aging parent, you call 2-1-1.

There are more than 2,000 community service groups providing 5,000 different services in this County. Thanks to the leadership of Supervisor Greg Cox, 2-1-1 is the key to the maze.

Compounding the region's economic problems, another crisis is at hand: a crisis of natural resources.

Our sources of water and fossil fuel are dwindling and unreliable. For our children and our planet we should be using less of each.

Our county was the first jurisdiction in the region to mandate water-wise and fire-resistant landscaping for every new public facility we build.

Our policy has double benefits. Smart landscaping saves water and can slow the spread of fire. Thanks to the Water Conservation Garden, you can see some examples here on stage. All of our landscaping contracts now require best irrigation practices— no more wasteful watering in the heat of the day or after a rain.

Soon, at my request, our Board will consider mandatory water-wise and fire-resistant landscaping for ALL new development in the unincorporated area— residential and commercial. I will ask cities in the region to follow our lead.

When you consider that 60 percent of residential water use goes toward outdoor landscaping, this important shift may spell significant conservation for the region.

When it comes to saving water, experts say it's the simplest ideas that can save the most. That's why I've huddled with the Otay Water District to expand the use of recycled water upstream from the Sweetwater Reservoir.

I'm excited about the possibility of capturing shower water and rainwater for use in the yard because, as cutbacks loom, we must squeeze every last drop from our precious supply.

While water is scarce in our semi-arid region, sunshine is not. Solar energy is ripe for the taking. It can light our rooms, clean our air and lessen our dependence on foreign oil

Photovoltaic systems are less expensive and more powerful than ever. With State and Federal incentives, homes and business don't have to wait so long to realize the savings of going solar.

Here is what the energy director at Google told the New York Times: “We are at the dawn of a revolution that could be as powerful as the Internet revolution.”

County government is working on two important initiatives to help. Right now, if a homeowner generates more solar energy that he or she uses, the excess is carried forward on the homeowner’s bill. At the end of the year, the surplus belongs to SDG&E, not to the homeowner.

That means SDG&E— not the homeowner— profits from the homeowner’s investment. The County is sponsoring state legislation to change this ridiculous inequity. We invite others to join us.

We want the State to require public utilities to buy back residential surplus solar at a fair market cost. Many states already do this! They recognize that government should encourage more solar, not less.

Our second initiative is just as exciting. Under the leadership of Vice Chairwoman Pam Slater-Price, our County is joining a growing number of municipalities who want to help residents afford the upfront costs of solar.

Ideally, it will cost us nothing and could work like this: government lines up private-financing. The homeowner pays it back through property taxes. Imagine every house in our region as its own clean, green little power plant. It’s possible!

What if we took the \$2 billion ratepayer dollars that SDG&E wants to use for its controversial Sunrise Powerlink and funded rooftop solar on homes and businesses?

I am joining the growing number of forward-thinking San Diegans who are asking that very question. We plan to ask it louder and with greater frequency in the year ahead.

Our region’s majestic open spaces are perfect for taking in the wonders of the natural world. From the sheer rock face of El Capitan in Lakeside to the peaceful grasslands of Ramona, we’ve preserved more 90,000 acres and will add another 12,000 acres in the near future.

Saving these lands ensures that our grandkids can feel the way we feel when we hike to the top of Volcan Mountain in Julian or ride horses along the stunning Sweetwater Trail.

If you hike along our more than 300 miles of riding and hiking trails you know exactly why our quality of life is second to none. A few of our trails are harsh and steep but can lead to strength and better health in the end.

That’s the path County government is on right now. Our Board has dealt with bad budget times before, though never of the proportions we now face. If this year is to be our ultimate challenge, then the right people are in the right place at the right time.

And we’re ready for the challenge. County government will change dramatically on this journey. We will be a smaller government providing fewer services.

But, as more San Diegans face the harsh winds of a bad economy and look to government for stability, the County’s walls will stay strong and its doors will stay open.

Thank you and good night.