SUPERVISOR STEVE BENNETT

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◆ At our last Board meeting the Taxpayer's Association testified that the County should charge interest on loans made from the General Fund to the Health Care Agency (HCA).

◆ The Association also testified that the County should require a prompt repayment schedule from the HCA.

- The Taxpayer's Association has the right to offer this testimony and may have many reasons for doing so.

◆ However, it is a simple political soundbite that sounds good until you examine the facts.

◆I believe it is quite inappropriate for a Supervisor speaking from this dais to indicate any support for these two requests of the Taxpayer's Association.

◆ Yet that is what happened at our last meeting and the following is why I believe it was inappropriate.

◆ Unfortunately, HCA has recently been running a budget deficit. Annual expenses have been exceeding annual revenue.

◆ However, overall total debt of the agency over the years is considerably less than the total amount the State of California owes HCA for services provided.

◆ If the State would have paid on time, HCA could have covered its recent budget deficits with surplus funds from prior years and would not have needed to borrow any money from the County General Fund.

◆ Fixing the recently developed deficit is what our HCA administrators should be focusing their energy on.

◆ They are working very hard to fix this annual budget deficit that is not sustainable.

- Pressuring HCA Administrators to also start paying back a debt that was created by the State of California's late payment policy is illogical, inappropriate, and puts political appeasement of the Taxpayer's Association in front of good government.

◆ If a Supervisor wants to get the loan promptly repaid, instead of this inappropriate pressure on HCA administrators, our Board's representative to the CSAC ought to be pressuring the State to pay what it owes.

◆ Putting visible pressure on the State instead of HCA does not create a political soundbite but does represent good local government.