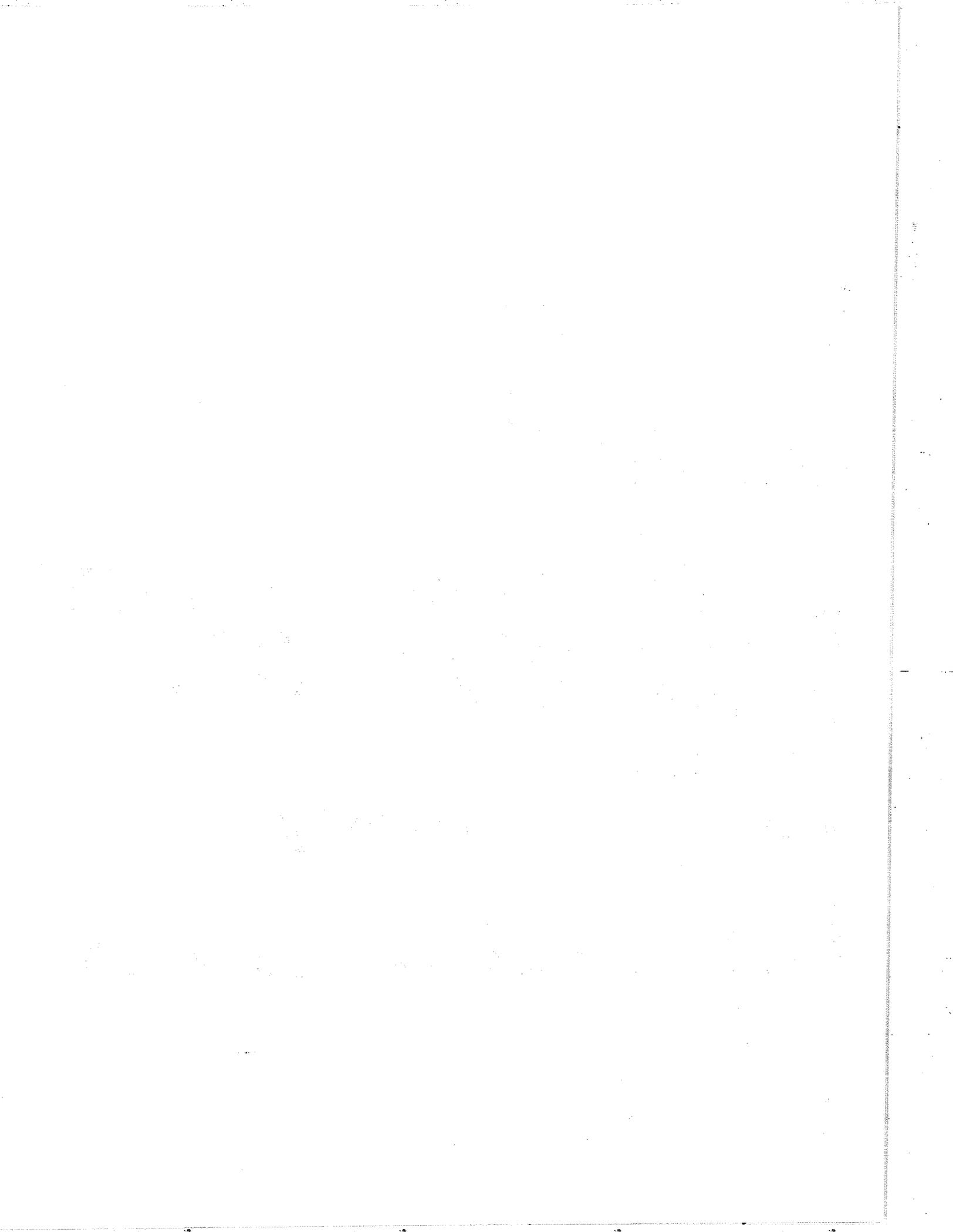




**AN ALTERNATE BUDGET
recommendations for
revenue sharing funds**

**1975-76
santa cruz county**

**prepared by
the community congress**



COMMUNITY CONGRESS
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OVERVIEW

I. A STATEMENT OF NEED

Santa Cruz, as is the rest of the nation, is in a time of economic recession. This means high inflation and unemployment for the residents of Santa Cruz. In 1974, 24% of the County's families (7,867 families) had incomes less than \$5,000 (OEDP Report). This year the unemployment figure is estimated from 12 to 20% (CETA-EDD staff figure), and the real increase of families below the poverty level though uncomputed is most surely higher. The cost of living increase to families for rent, fuel, food, etc. is averaging between 12-15%.

Further exploration is warranted on just what are the most pressing needs of these families. The U.S. Department of Agriculture cites that families with below medium incomes must spend more than families with medium to high incomes on food. The average sized family with an income below \$3,800 per year must spend 40% of this income for an adequate diet. Other housing surveys by HUD have shown a rental increase of 25-50% from 1972-1975 and over 50% of the county's households are living in "inadequate conditions." (U.S. Department of Housing & Urban Development 1973.) These statistics are certainly not complete enough and deal only with the needs of jobs, food and housing, more research on the condition of low income families would certainly reflect a similar deplorable situation concerning health, mental health, transportation and child care needs.

Families are not the only group affected by these times of financial hardships. Groups living on fixed incomes such as seniors, handicapped, women with dependents, and youth are severely affected. The tri county Senior Study cites a figure of over 8,000 seniors living in this county below the poverty level. Seniors constitute 20% of this county's population, the real question is do they constitute 20% of the county's budget. Those elderly couples living on fixed incomes pay a similar high proportion of income for food. Elderly couples with an income of \$3,000 after taxes must spend 35% of their income for food. (USDA statistics: 1974)

Of the HUD figure of 50% of the county households classed as inadequate, 25% were elderly or handicapped. Inadequate households means crowded living, more than 1.25 persons per room, tenants paying more than 25% of their income for rent and/or owner households occupying houses more than 30 years old and valued at less than \$7,500. (Hud surveys 1972, 1973)

The statistics are startling; they are not mere numbers, they reflect the condition of people's lives in this county. It is the belief of Community Congress that in a time of financial hardship a county's budget must reflect the priorities of those groups of persons most in need. The needs are the basic: income & jobs, health services, housing, mental health, child care, food-nutrition programs, transportation, youth programs and other similar services that will better the lives of Santa Cruz County residents most effected in this recession-depression.

THE USE OF REVENUE SHARING

The State and Local Public Assistance Act of 1972 commonly known as the Revenue Sharing Act provides local governments with portions of tax money to be spent in compliance to certain standards. These standards are expenditures on "ordinary and necessary maintenance and operating expenses for public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged and financial administration."

remembered that this is the only opportunity for the community to truly participate in the budgetary process.

Across the nation the substantial portion of revenue sharing is being used by administrators in capital expenditures, with as little as 2% being used in community programs. This county has followed that trend. In the last two years the majority of county revenue sharing money has gone to capital expenditures (of 5.7 million in 74-75 \$540,000 went to community programs). This year out of available 4.6 million, 3.3 is proposed in the plant acquisition budget. The capital expenditures are not all critical -- however many of them do not reflect the immediate needs of people in this county the hardest hit by the economic crisis. Of that money placed aside in capital-type expenditure \$2,228,771 was unspent and up for reallocation this year. Money sitting in banks all year does not aid the people of this county. Money being used for large one time expenditures (the ongoing maintenance and cost factors remained unconsidered) on the basis of sound management do not necessarily aid the people of this county. The past use of revenue sharing has not dealt with real needs and priorities of people, it has only dealt with the "priorities" of "good" management.

Community Congress believes revenue sharing funds are an easily isolated category of funds that can be allocated in ways to meet the above stated needs of people. What is needed are programs that pump money and jobs into our local economy in a framework that first reflects priorities and secondly are of social value. Programs are needed that provide food, jobs and services to low income, youth, women, senior, and disabled persons. Programs are needed, for example, that stimulate low and moderate housing construction, agricultural development, environmental alternatives, and criminal justice alternatives. Generally, what is needed are solutions to the enormous problems and life-situation difficulties faced by a substantial portion of the county's population. A way to find solutions is to use our revenue sharing in the programs that propose to deal with those problems and situations.

Who is Community Congress & What have we done

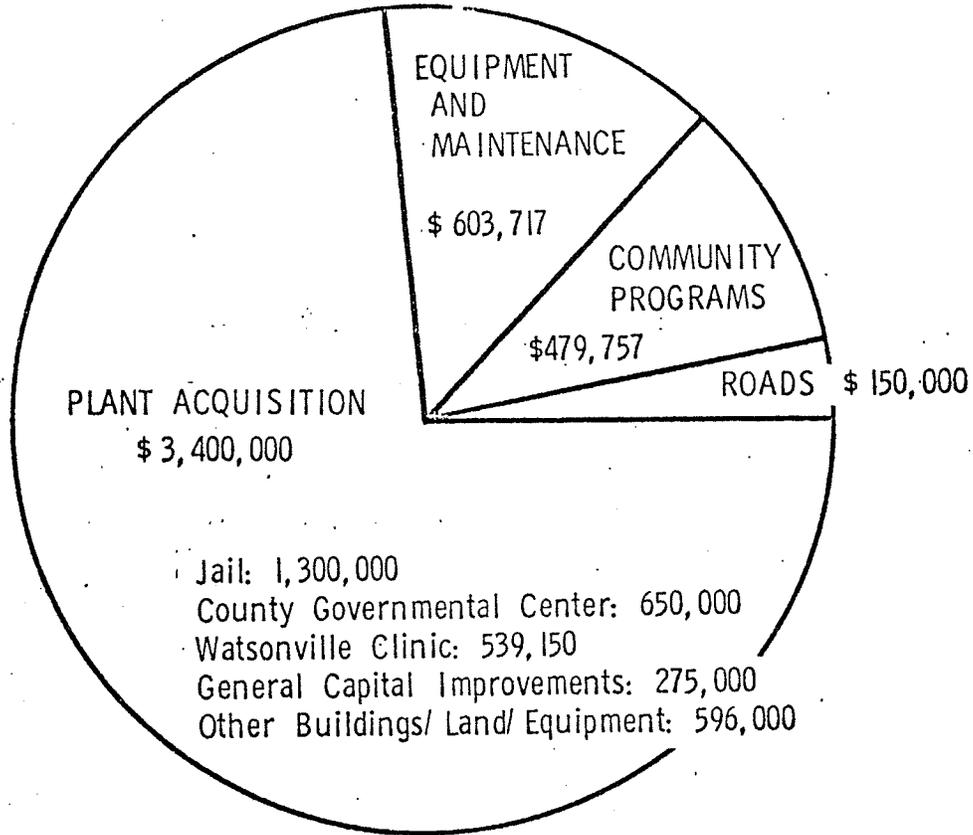
Community Congress is a broad based coalition of community nonprofit corporations who provide services to the community. The member groups are in direct contact with the persons who are in need of basic services and employment in this county such as seniors, youth, agricultural migrant workers, women, handicapped, etc. Community Congress members are engaged in a process of agreeing upon priorities for budget expenditures in the county and subsequently engaged in lengthy self and group review and evaluation of individual proposals. The priorities based on group knowledge, census data, CETA reports, CAB reports agreed upon were generally that the following groups are most in need and oppressed in the present system: racial, sex, handicapped, elderly, youth, large families, single headed households, veterans and ex offenders. It was agreed that according to income breakdown priority people are those with no income, the unemployed poor (AFDC, SSI, etc.) and the underemployed poor. The following services were identified as unmet therefore priority: income & jobs, food, housing, child care, health and mental health, education, transportation and recreation. The subsequent recommendations and criticisms are based upon these general priorities.

Why an Alternative Budget?

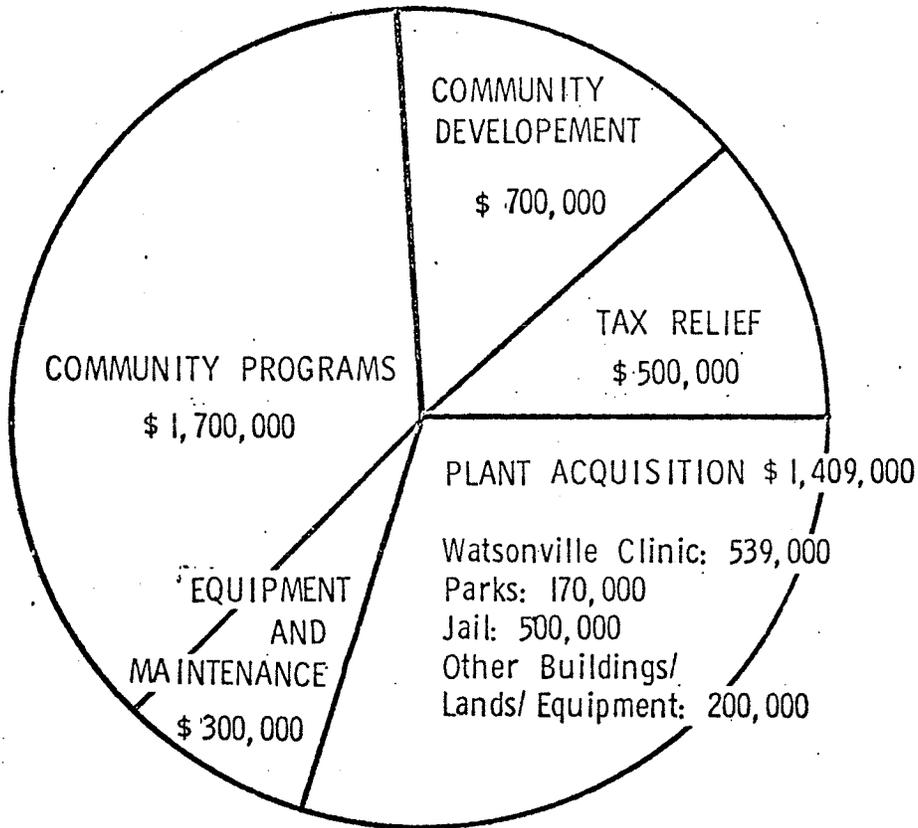
Community Congress members decided to produce an alternative budget for two reasons. First, within the existing budgetary process there is no overview consistently interjected of the most pressing community-people needs of this county. The Alternative Budget

purports to do this with one segment of the budget -- Revenue Sharing. The presence of an organized voice from the community concerning community needs is a first and necessary addition to the budgetary process in Santa Cruz.

Secondly, Community Congress members do not wish to be put in the position of vying for a minimal portion of funds with each other. The result is seniors fighting handicapped or women against child care facilities. This type of competition is not only unfair but distorts the overall perspective on community needs and priorities. The budget is organized into a critique of the existing budget and recommendations on Reallocations. Community Congress believes this process of the Alternative Budget has been most worthwhile. It is in such processes that we learn what real needs are and how best to meet them. It is in such a process that the unique future of Santa Cruz County will be determined.



COUNTY ADMINISTRATIVE OFFICE BUDGET



COMMUNITY CONGRESS BUDGET

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