

# **FISCALLY CONSERVATIVE POLICIES ARE NEEDED FOR OUR FINANCIAL SECURITY**

**by Supervisor Linda Parks, October 2008**

Our generation has never seen the kind of meltdown of our financial institutions that we are witnessing today. From homebuyers who purchased beyond their ability to pay, to the lenders that profited by knowingly extending them credit, the virtues of having good credit have gone by the wayside. Buying a house with 20% down and payments one could afford was replaced with questionable borrowing that led people to declare bankruptcy and walk away leaving the banks holding the loans. Like a pyramid scheme, the financial institutions that were so trusted crumbled from the weight of bad loans. Not only did banks hold bad mortgage debt, they packaged and sold it to Wall Street financial institutions that then held bad debt and sold it on the world markets. Washington failed in its regulation and oversight and now they are looking to taxpayer dollars to clean up the mess.

Individuals, financial institutions, and government are all encumbered in historic levels of debt. Governor Schwarzenegger held out for his "rainy day fund" that will be beneficial in the long term, but the State continues to operate by leveraging against future debt and instead of cutting spending, has relied on bonds that incur further debt.

Prior to my joining the Board of Supervisors, the County of Ventura was also spending more than it was taking in. Even during the good times before the dot com bust, the County refused to put any money into reserves for future contingencies. They were spending as fast as revenue (i.e., taxdollars) was coming in. Since those free spending days, the Board has established strict policies to ensure we live within our means, that we don't fund on-going programs unless there is a continuing revenue source to pay for them, and we have begun to build up a reserve fund to help us through the hard times.

While it has been difficult for the average American who is just trying to get by, to also put aside money into savings, having this kind of discipline in government is essential. When the Federal Government shuts down vital programs, when the State stops paying its bills, and a city stops repairing its infrastructure and cuts basic services, government has failed. In an era of egregious spending it takes sound fiscal leadership to turn government around and hold the line on spending.

With the City of Thousand Oaks experiencing the loss of nearly a million dollars in sales tax revenue since last year, with the State moving to take the City's redevelopment money, and major employers in the city shutting down or downsizing, it is more than ever a time for fiscal restraint. Yet last month the City Council allocated \$375,000 for high-end office furniture and also gave hefty raises to top employees who will now make over \$200,000 a year with benefit packages to match. As with the staggering debt owed by our State and Federal government, the lack of fiscal discipline at all levels of government has exposed a void in conservative financial leadership. What happened to traditional financial values?

Instead of setting an example, our elected representatives are showing a pattern of spending beyond our means and it is filtering down to our cities and to our households. Part of the problem in Sacramento and Washington D.C. is partisanship. It has led to gridlock in our legislature. When you have ideologues working for party not country, the public is ill served. It is no wonder that voters have become cynical and apathetic. They don't want to buy into the system because they think it's unfixable or corrupt. Yet at this very important time of fiscal crisis, it is more important than ever for voters to participate. The time is now, the decision is yours.