



CALIFORNIA BUDGET PROJECT

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Contact: Steven Bliss
Office: (916) 444-0500
Cell: (415) 271-8180

Statement: The California Budget Project on the Release of Governor Jerry Brown's May Revision

The California Budget Project, a nonpartisan public policy research group, released the following statement today from Senior Policy Analyst Scott Graves in response to the release of Governor Jerry Brown's May Revision to his proposed 2012-13 budget:

"California's economy continues to slowly recover from the Great Recession. However, lower-than-anticipated tax collections in recent months add significantly to the challenges the state faces in closing the budget gap. For example, the Governor's May Revision projects lower-than-expected corporate tax revenues, due in part to the massive corporate tax breaks enacted in recent years.

"The May Revision highlights the need for significant additional revenues to help address the budget shortfall. Without a balanced approach to addressing the budget gap – one that includes additional revenues – we face even deeper cuts to schools, colleges, and other core public structures that are essential to the lives of all Californians. The tax measure the Governor plans to put before voters in November provides a reasonable, sound approach to stabilizing the state budget and creating a foundation on which to rebuild going forward.

"To the extent that cuts are made to address the budget gap, such reductions should be carefully targeted so they don't endanger vulnerable families, children, and seniors, who have already borne the brunt of recent years' budget cuts. With many families still struggling in the wake of the worst recession in the post-World War II era, we are concerned that the Governor's May Revision deepens his proposed cuts to the state's safety net, while also making significant reductions to child care and other programs and supports that help Californians prepare for and keep jobs.

"In the coming weeks, the state's leaders should work to bridge the budget gap while ensuring sufficient support for the public structures and systems that provide the foundation for our quality of life and a strong economy."

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The California Budget Project (CBP) engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, subscriptions, and individual contributions. Please visit the CBP's website at www.cbp.org.

1107 9th Street, Suite 310
Sacramento, California 95814
P: (916) 444-0500
F: (916) 444-0172
cbp@cbp.org
www.cbp.org