



CALIFORNIA BUDGET PROJECT

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Contact: Lisa Gardiner (916) 444-0500

## Statement by Jean Ross: Senate Action Widens California's Budget Gap

Earlier this afternoon, the US Senate failed to pass its version of jobs legislation. In response, Jean Ross, executive director of the California Budget Project, a nonpartisan public policy research group, issued this statement:

"Nearly 1.5 million unemployed California workers won't receive unemployment insurance (UI) benefits that they would spend quickly and close to home, boosting the local economy and helping local businesses avoid layoffs. More than 2 million people nationwide will lose these benefits if Congress fails to act before leaving for the July 4 recess.

California won't receive \$1.8 billion in federal assistance - funds assumed in the Governor's May Revision, as well as the Senate and Assembly budget plans - forcing even deeper spending cuts than those enacted in recent budgets and already on the table as a result of the unprecedented drop in revenues brought on by the recession. These actions will cause private- and public-sector job losses and raise the risk of a double-dip recession as the loss of spending power ripples through the economy. Without more federal aid, state budget-cutting actions nationwide place at risk as many as 900,000 jobs over the next year.

California will have to end its TANF Emergency Fund, which has enabled counties across the state to create 20,000 jobs, putting people back to work and keeping dollars flowing through local economies.

Congress should not leave for the July 4 holiday until it extends unemployment benefits, provides additional aid to cash-strapped states, and extends funding for the TANF emergency jobs programs."

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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, publications, and individual contributions. Please visit the CBP's website at [www.cbp.org](http://www.cbp.org).*

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