



CALIFORNIA BUDGET PROJECT

For Immediate Release
November 11, 2010

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Statement by Jean Ross on the Legislative Analyst's Office Forecast

In response to the forecast on the state's long-term budget situation released Wednesday by the Legislative Analyst's Office (LAO), Jean Ross, executive director of the California Budget Project, a nonpartisan public policy research group, released this statement:

"Wednesday's forecast issued by the LAO shows that California continues to face extremely severe fiscal challenges. The magnitude of future budget gaps reflects the continuing weakness of the state's economy, the end of aid to states provided by the American Recovery and Reinvestment Act (ARRA), and recent budgets' reliance upon one-time 'solutions.'

The LAO's report highlights the importance of true prison reform. Recent budget agreements have included appropriate reductions in prison spending, however the Legislature has failed to enact the policy changes needed to enable California to significantly reduce growth in corrections and achieve targeted savings.

It is also clear that California cannot continue to cut taxes for the state's largest and most profitable corporations and balance its budgets. Every dollar lost to recent tax cuts reduces support for education and other public structures essential to the state's economic future.

The new forecast underscores the importance of a balanced approach aimed at bringing the state's budget into balance over a multi-year period. Policymakers should strive to do all they can to avoid yet another round of cuts to state services that would further weaken the economy and undermine the effectiveness of programs and services that Californians depend on."

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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.

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