



CALIFORNIA BUDGET PROJECT

For Immediate Release
June 28, 2012

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Statement: The California Budget Project on the 2012-13 State Budget

The California Budget Project, a nonpartisan public policy research group, released the following statement from Senior Policy Analyst Scott Graves in response to the budget signed by the Governor last night:

"This budget includes major reductions in a number of critical areas, especially support for families who need child care or help in moving from welfare to work. Still, lawmakers deserve credit for embracing a balanced approach that includes the Governor's proposal to raise much-needed revenue in order to avoid a cuts-only budget. If voters approve the Governor's tax initiative in November, California will avoid more deep cuts to schools, colleges, and other building blocks of a strong economy. The new revenues would help stabilize our fiscal situation and create a foundation on which to rebuild going forward.

"While the state's current budget challenges are partly the result of the Great Recession, they have been made worse by years of tax cuts, including recent corporate tax breaks adopted with little scrutiny. In addition, the two-thirds vote requirement for the Legislature to approve any tax increase has made it nearly impossible to close recent budget gaps without severe cuts. Several years of spending reductions have hit public education, essential services for low-income seniors and people with disabilities, and support for vulnerable families struggling to find or keep jobs in a tough labor market. Additional revenues that put California's finances on solid footing are needed if we are going to restore the luster to the Golden State."

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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.

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