



California Legislature

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Pro Tem Steinberg, Speaker Pérez Announce Updated Jobs Budget

SACRAMENTO – Assembly Speaker John A. Pérez (D-Los Angeles) and Senate President pro Tem Darrell Steinberg (D-Sacramento) today announced an updated California Jobs Budget proposal to close the state’s budget deficit while protecting jobs and preventing layoffs that would push California’s unemployment above 14 percent. The proposal advanced by Steinberg and Pérez also includes elements to spur the state’s economic recovery and reforms to help prevent future budget problems.

The Democratic Leaders have proposed a budget plan that responsibly reflects the circumstances forced on California by the worst economic crisis since the Great Depression. The plan closes the deficit, which has been fueled by both the collapse of our economy and by the pre-existing structural deficit which has contributed to California’s budget instability for decades. The Jobs Budget reflects a central commitment to saving and creating jobs while implementing responsible, targeted cuts totaling \$8 billion that do not put California’s economic recovery in jeopardy. In contrast, the Republican Plan will unapologetically ruin California’s recovery by eliminating 430,000 jobs and stop five billion federal dollars from flowing into our economy.

After meeting with small business leaders to discuss portions of the plan that benefit small businesses, Steinberg and Pérez met with reporters to lay out how the plan supports long term growth and stability for California.

“This is a plan that every member can and should support,” Pérez said. “It reflects the core values of Californians and makes decisions that will help, rather than hurt our economy. It keeps 430,000 teachers, cops, firefighters and small business owners working, and will help small businesses create more jobs. It restores cuts the Governor’s

budget made to education, closes costly loopholes and doesn't impose broad-based taxes on Californians.”

“This is not a budget to celebrate, it is a budget of necessity,” Steinberg said. “It is a proposal that reflects our difficult economic times, and counts on all Californians to come together in a collective effort to weather this recession and spur our economic recovery. Our proposal makes more than \$8 billion in painful cuts, including to public education; but rejects the Governor’s gratuitous cuts that would devastate our economy, our people, and eliminate hundreds of thousands of jobs. It will help jumpstart our economy by permanently cutting the state sales tax nearly in half, but raises new revenue to ensure our children receive a quality education and our people have a decent quality of life. This is a responsible, balanced, and fair proposal that should be implemented, and quickly.”

The Jobs Budget focuses on preventing layoffs, spurring the economic recovery and instituting reforms to help prevent future budget problems.

The plan prevents 430,000 layoffs by:

- Protecting the jobs of over 35,000 teachers and other school employees, many of whom have already received pink slips
- Protects childcare programs that allow working parents to remain in the workforce and keep over 50,000 child care providers in business and their employees earning paychecks
- Making repayments to local governments that will help them avoid cutting as many as 20,000 critical public service jobs
- Maintains healthcare spending and safety net federal funds that together saves over 300,000 jobs
- Maintains some safety net to make sure California isn't the only state in the nation without a welfare-to-work program

The plan spurs the economic recovery by:

- Providing \$300 million for targeted programs that will create thousands to high-paying, private sector jobs
- Rejecting \$3.4 billion in education cuts the governor has proposed, because a well-educated workforce is vital to the recovery
- Restoring cuts to the UC and CSU systems to maintain the world class university system at the heart of California's innovative economy
- Providing full funding for Community Colleges and doubling funding for the Economic Development program that trains tens of thousands of unemployed Californians for new opportunities

The plan helps prevent future budget problems by:

- Cutting state administration staffing funds and overhead by 5% to save \$700 million
- Cutting taxes for all California income levels by dramatically reducing the sales tax and while increases taxes that can be federally deducted; these changes provide net tax relief to all income groups

- Accelerating repayments to school districts and local governments, allowing them to avoid laying off teachers, cops and firefighters while simultaneously reducing the state's long-term debt
- Providing a real reserve of \$550 million
- Improving public safety by shifting certain costs to local governments, and providing a dollar for dollar increase to local governments to cover the costs
- Bringing in \$4.1 billion federal matching funds to California by rejecting Governor's health care and safety net cuts that leave federal money on the table
- Closing the Oil Drilling Loophole, delaying new corporate tax breaks and dedicating new revenues to restructuring proposals and job protection efforts
- Minimizing one-time solutions and providing ongoing revenues or future adjustments to protect against any negative impact of one-time solutions
- Avoiding cuts that will harm the economy and result in next year's problem being much worse

Pérez and Steinberg emphasized that the updated Jobs Budget proposal, which includes previously debated provisions of Assembly and Senate budget proposals, will receive a public vetting before being voted on by the legislature.

Website of Speaker John A. Pérez: www.asmdc.org/speaker

Website for President pro Tem Darrell Steinberg: <http://dist06.casen.govoffice.com/>

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