



LEAGUE OF WOMEN VOTERS[®] OF CALIFORNIA

1107 9th Street, Suite 300, Sacramento, California 95814
(916) 442-7215 ▪ Fax (916) 442-7362 ▪ (888) 870-8683
www.lwvc.org ▪ www.smartvoter.org ▪ www.easyvoter.org
lwvc@lwvc.org

June 12, 2009

The Honorable Darrell Steinberg
President pro Tempore
California State Senate
P.O. Box 942848
Sacramento, CA 94248-0001

(Similar letters were sent to Governor Schwarzenegger and other legislative leaders of both parties.)

Re: Call for a realistic, balanced approach to addressing the budget gap

Dear Senator Steinberg:

As you seek a solution to California's budget crisis, the League of Women Voters of California urges you to reject the idea of a "cuts-only" budget, especially one that decimates crucial programs. Instead, we advocate a balanced approach that includes new revenues along with targeted cuts to programs. We ask you to give priority to preserving the essential safety net for those most in need, as the primary obligation of government is to protect the welfare and security of its people. The future well-being of our state depends on the care with which you mitigate the impact of reductions on our most vulnerable residents and avoid changes that will permanently harm the long-term economic future of California.

We recognize that the size of the deficit to be bridged demands painful adjustments on all sides. The impact of the cuts already made in basic health and social services and education is staggering. Millions of the most vulnerable in our state—including children, the elderly, and the disabled—are now on the brink of destitution. We must give priority to rejecting the elimination of such basic assistance programs as CalWORKs and Healthy Families and avoiding further deep cuts in programs such as Medi-Cal, In-Home Supportive Services, and child welfare services. These cuts are unacceptable both for humanitarian reasons and because they will result in increased costs as state and local governments try to prevent immediate catastrophes and deal with worsened problems in the long term. To make draconian cuts while rejecting proposals for increased revenues would be both short-sighted and unconscionable.

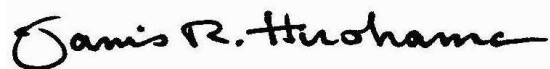
It is unrealistic to rely on cuts alone to fill a budget deficit of this magnitude. The League of Women Voters supports revenues that are sufficient and flexible enough to meet changing needs for state and local government services and that ensure fair sharing of the tax burden. Recent polls have shown that a large majority of Californians want the budget crisis to be solved with a balance of cuts and new taxes, rather than by cuts alone. We urge you to consider revenue proposals such as those listed by the California Budget Project, the California Tax Reform Association, the Legislative Analyst's Office, and other thoughtful observers.

In addition to new taxes or increases in tax rates, solutions include the repeal of corporate tax expenditures established in the September 2008 and February 2009 budgets. Those tax breaks benefit a relatively small number of corporations but worsen our budget problems. Eliminating them would mean several hundred million dollars of increased revenue for 2009-10 and some \$2.0-2.5 billion yearly for the long term. Looking forward, we should implement a systematic examination of tax expenditures to identify and preserve only those that actually accomplish commonly held goals.

We urge you to examine all possible alternatives to decimating programs and closing facilities, including fees that can be imposed by a simple majority vote and reductions in administrative costs. Even with increased revenues, we know that cuts must be made that will shortchange our education, infrastructure, and environmental needs and affect the long-term health of our state economy. The state is already falling far short of the financial resources needed to educate our young people for the economy they will enter. Our capital improvement needs are outrunning the funds available to keep our infrastructure up to reasonable standards, and our natural resources are threatened. We must do everything possible to strengthen the investments needed to keep the California economy strong and competitive.

This difficult time has highlighted the need for a serious consideration of our budget process and finance system. We urge you to move forward from this budget situation to serious structural reform, including the elimination of the two-thirds vote requirements that paralyze fiscal decision-making and adoption of a fairer, more efficient, and more stable tax policy. Californians have a right to expect their leaders to take on the task of improving our dysfunctional system. They deserve no less.

Sincerely,

A handwritten signature in black ink that reads "Janis R. Hirohama". The signature is written in a cursive style with a horizontal line at the end.

Janis R. Hirohama
President