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California Forward Leadership Council Backs Six Propositions that will Help Stabilize California's Current Fiscal Crisis

SACRAMENTO – California's Legislature has placed six propositions on the May 19 Special Election ballot that are part of a budget agreement crafted to maintain essential services during one of the most dramatic economic downturns in decades. *California Forward* believes the measures, none of them perfect, are important to maintaining the viability of schools, public safety, the social safety net and other services our communities require, and *California Forward* endorses the measures.

First, Propositions 1A and 1B will provide long-term stability to a binge-and-purge fiscal system that has ultimately served the public poorly. Proposition 1A will channel more revenue – including unanticipated increases in tax revenues – into a rainy day fund. This will reduce the ability of the state to make spending commitments in boom years that cannot be kept during times of normal economic growth. It also will increase the ability of the state to maintain essential services during lean times and limit spending to a ten year average. Proposition 1B will provide K-12 education with additional financial assistance lost during the current recession.

Propositions 1C through 1E will provide needed resources to head off even deeper cuts to schools and to the social safety net. The Legislature also has placed on the ballot a measure (Prop 1F) prohibiting the state commission that sets the salaries for constitutional officers and legislators from approving a salary increase if a deficit is forecast for the upcoming year

Just as these measures are necessary to stabilize the government's fiscal condition, additional reforms are necessary to fortify the long-term integrity of the fiscal system. These include a multiyear spending plan and a focus on results to ensure that Californians receive value for their tax dollars. Reforms also should require major new programs to identify funding sources and give more discretion and authority to local governments over revenue and budget decisions.

The mission of California Forward is to transform our state government through citizen-driven solutions to provide better representation, smarter budgeting and fiscal management, and high quality public services so all Californians have the opportunity to be safe, healthy and prosperous in the global economy.

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