

CONTROLLER STEVE WESTLY

STATE OF CALIFORNIA

300 Capitol Mall
Sacramento, CA 95814
916.445.2636
www.controller.ca.gov

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CONTACT: RUSS LOPEZ
916-445-2636

Westly Responds to Budget Proposal

SACRAMENTO – State Controller Steve Westly today issued the following statement in response to the Governor’s budget proposal:

“The Governor’s budget was helped by a one-time revenue windfall this year. But the Governor’s budget does not solve the state’s long-term deficit. In fact, by promising one-time revenues to ongoing budget items, he’s risking a bigger deficit. The Governor is going to repeat the budget mistakes of the past and dig the state into a bigger hole if he goes on a spending spree without eliminating the structural deficit.

“If the Governor is going to talk about spending increases, he has to get serious about how he’s going to pay for them. I’ve made a lot of progress by collecting money already owed us. Two programs I spearheaded raised \$3.5 billion without raising a nickel in taxes. We need to go after more of the \$6.5 billion owed to the state that isn’t being collected each year. We need to collect those billions of dollars before we even think about raising taxes or cutting services.

“Last year, the Governor vetoed four bills that cracked down on tax cheats and raised millions. Now, he’s proposing billions in new spending. This is the wrong direction for California.

“We also have to factor in the Governor’s bond proposal when talking about our financial future.

“We need to take a hard look at the priorities in his plan and how he wants to pay for it.

“There’s no doubt we need to invest in California’s future. The Governor’s plan would bring more freeways, more pollution and more sprawl. I think we need to have a statewide discussion about housing, hospitals, mass transit and parks. These elements are lacking from the Governor’s proposal.

“The Governor is taking a huge risk by banking on tens of billions of dollars that the state has no control over to pay for his plan.

“We can’t consider hundreds of billions of dollars in spending without first discussing strict accountability and oversight controls to prevent waste and fraud.

“That’s why I’ve proposed an oversight commission to make sure the money is spent according to the voters wishes and projects are on time and on budget. My oversight plan also calls for comprehensive performance and fiscal audits.

“The Governor has shortchanged our kids by \$4 billion over the last two years. This year, the Governor is finally making the minimum payments to our schools. That doesn’t excuse the past due \$4 billion he still owes.”

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