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Proposed California Budget Forgoes More Health Care Cuts

California legislators have reached an agreement on a budget proposal that would increase spending on health care and education but still cut some services, the *Los Angeles Times* reports (Halper, *Los Angeles Times*, 9/15).

Lawmakers said the proposal would not increase taxes or rely on new borrowing (Steinhauer, *New York Times*, 9/15).

To bridge the estimated \$15 billion state budget deficit, legislators propose closing some tax loopholes and collecting some one-time revenue during the current fiscal year rather than wait until next year.

According to the *Sacramento Bee*, the budget proposal includes about \$9 billion in budget cuts (Wiegand, *Sacramento Bee*, 9/15).

Lawmakers said the cuts to health care, education and social services programs do not exceed cuts that Democratic legislators already had accepted.

However, Anthony Wright, executive director of Health Access California, said, "The proposed budget not only fails to fix the ongoing budget crisis but places health and other vital services at even more risk in future years" (*Los Angeles Times*, 9/15).

The budget proposal would call for a ballot measure to go before voters to make changes to the state lottery and borrow funds for next year's budget that would be repaid using future lottery revenue (*Sacramento Bee*, 9/15).

Next Steps

The Senate and Assembly are scheduled to vote on the proposal today.

Officials for Gov. Arnold Schwarzenegger (R) said that he could ask for changes to the proposal, but legislators said they expect him to approve the deal.

Once a budget is approved, the state could resume payments to health care clinics, adult day health care centers, homes for the disabled and other vendors (*Los Angeles Times*, 9/15).