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HIGHLIGHTS OF GOV. ARNOLD SCHWARZENEGGER'S REVISED BUDGET PROPOSAL:



Overview

- Attempts to close a projected \$15.2 billion deficit and create a \$2 billion reserve in a \$101.8 billion budget
- Based on lower revenue projections across the board because of sagging economy.
- Eliminates proposal to release nonviolent prisoners.
- Eliminates 2,000 prison guard layoffs included in January plan.
- Allocates no money specifically for state employee raises, but could use reserve to fund them depending on negotiations.
- Restores roughly 40 percent of \$4.8 billion cut proposed for schools in January budget and now meets minimum funding guarantee.
- Asks voters to approve budget change and approve new lottery rules at November election.

Revenue

- Assumes \$5.1 billion in new revenue by borrowing against future lottery proceeds.
- Triggers 1-cent sales tax increase for up to three years if lottery measure fails.
- Borrows \$547 million from other funds to help shore up the general fund.
- Shifts \$827 million from gasoline sales tax fund used for public transit to pay for home-to-school transportation and repay transportation-related debt in general fund.
- Assumes student fee hikes of 10 percent at CSU and 7.4 percent at UC.
- Assesses a fee to fund emergency response programs that would average \$12.60 a year in high-risk zones and \$6.75 a year in low-risk zones.
- Eliminates proposal to close 48 state parks and limit hours at some state beaches, but raises user fees at some facilities.

Cuts

- Relies on \$9.1 billion in cuts – up to 10 percent in some programs.
- Requires undocumented immigrants to meet a monthly eligibility requirement for emergency services for a \$42 million savings.
- Limits health services to some legal immigrants – newly qualified immigrants and some permanent residents to save \$86.7 million a year.
- Eliminates federal and state cost-of-living increases for low-income elderly, blind and disabled under the Social Security Income/State Supplemental Payment program.
- Cuts welfare assistance by 5 percent, or \$36 a month reduction for a family of three.
- Maintains 10 percent cut to Medi-Cal reimbursement rates approved in February.