# State Must Close $\$ 250$ Million Gap 



By VINCENT THOMAS
Assemblyman, 68 ,h District Now that our protracted 1966 sessions are over, we retrospective looks and tike sults we achieved. During the last hectic days of any ses All of us are much inter budget for the current fiscal year will work out, and in the
on keeping it in balance. The financial experts who advised
the administration, both our houses, and both, groups of party members on the intri-
cacies of the cacies of the accrual method
assure us that it will work a assure us that it will work as
predicted, but tit's a first time. and some misgivings are only natural. Accrual must close a $\xrightarrow{\circ}$ gip.
MANY MEMBERS and most outside observers are con-
vinced that sizeable increases vinced that sizeable increases
in state taxes will be needed
to balance the $1967-68$ budg.
et. A deficit between income and outgo of as high as $\$ 350$
million has been forecast. million has been forecast.
The chairman of the Senate Revenue and Taxation Com-
mittee has said that "some mittee has said that "some
increases in taxes will be necincreases in taxes will be nec-
essary." His assembly counterpart, however, has said that he does not consider "a a tax
increase to be inevitable." increase to be inevitable."
The total budget figure of $\$ 4.59$ billion breaks down into major categories as follows.
There is $\$ 1.337$ billion for current operations of state current operations of state
government during the year.

More than $\$ 2.313$ billion is al-
located for local assistance to located for local assistance to
counties, cities, school and counties, cities, school and
other districts. Provision for capital outlay includes $\$ 373$
million from current funds million from current funds,
and $\$ 566.3$ million from variand 8566.3 million from vari
ous bond funds.
AMONG THE amounts apAMONG THE amounts ap-
propriated for current suppropriated for current sup.
port, the largest is that for higher education - the University and state colleges -
$\$ 404.0$ million. Next is health and welfare, $\$ 207.8$ million.
$\$ 203.1$ million. Then comes correctional institutions at
$\$ 115.5$ million. Fifth comes resources, excluding the state water project, at $\$ 79.8$ mil-
lion. lion.
In local assistance, far in the lead is aid to local school districts at $\$ 1.235$ billiion. Health and welfare grants
will come to $\$ 560.0$ million. Shared revenues, mostly the 1 percent sales tax, will ac
count for $\$ 45.5$ count for $\$ 456.5$ million.
The largest appropriation for construction from current revenues is that for highway
8314.8 million, 87 percent of the total in this category. COnstruction expenditures from various bon for general state building and comprehend those for higher education. Parks and recreamillion. Expenditures planned for water development will total $\$ 332.6$ million from two
sources, the state water projsources, the state water project bond act, and the older
Central Valley Project bond issue.

Over and above these budg. eted items, however, will be the expenditures which were authorized by other bills passed. A $\$ 230$ million bond issue to finance still mor higher education and institutional facilities will appear on
the November ballot. Anothe bill, which will go into effect after it is signed, appropri ates an additional $\$ 42.2 \mathrm{mil}$
lion for grants to impove ished school districts to imisheve their instructional
standards.

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