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<u>BUDGET STORY SIDEBAR</u>: California Voters Set Budget Priorities Using Interactive Internet Game

Next 10 Launches 2008 "California Budget Challenge"

Sacramento-- Today the nonpartisan/nonprofit organization Next 10 is unveiling the 2008 California Budget Challenge, an online game that provides an annual examination of the state's most pressing budget policy choices. Challenge users build their own state budget, selecting or rejecting many of the same policies that California's state leaders are now considering. Since its launch in 2005, more than 50,000 Californians have taken the Challenge at www.Next10.org.

"This year with the deficits we are facing, the state of California will likely have to make some very tough decisions when it comes to the budget. Our goal with the Budget Challenge is to educate and engage the people of California. We all have a huge stake in the outcome of the budget, so it is important that we not only understand the process and the policies, but that we also affect the process and help shape the future of our state," said F. Noel Perry, the founder of Next 10.

As a part of this year's Budget Challenge launch, Next 10 is taking the Challenge on the road across the state to various organizations as well as government, economics, and general studies classrooms. Through this outreach effort, Californians are learning about the budget process as well as the current policy options being considered in Sacramento. To build their own budget, students are presented with policy options that they vote to accept or reject using instant-response clickers. Once all the policy options are considered, the votes are tallied and students are presented with a complete state budget based on their priorities.

"By working through the process and making some tough decisions about which programs to keep and which programs to cut, as well as deciding different ways to generate the necessary revenues to pay for these programs, students come to understand that the budget is not just a collection of numbers. The final product is a value statement by the students that reflects their priorities for the state's future. They now know that budget decisions made in Sacramento impact their high school, their options for college, our taxes, the criminal justice system, and so much more," said Dawna Linsdell, economics teacher at Gunn High School in Palo Alto.

The 2008 Budget Challenge contains 17 updated policy options, with 65 choices, many of which are new this year. The Challenge includes such topical choices as:

- The level of funding for K-12 schools and how quickly student fees should grow for students at state colleges and universities.
- Whether the state should reduce Medi-Cal provider payments by 10 percent as proposed by the Governor in this year's budget.
- Whether cost-of-living adjustments for the aged and disabled who receive SSI/SSP benefits should be suspended in order to help close the budget gap.
- Whether California should establish a system of surcharges or rebates on new cars based on their greenhouse gas emissions.
- Whether the state should transfer responsibility for supervision of low-level parolees to county probation departments, as recommended by the nonpartisan Legislative Analyst, as an alternative to the Governor's proposal to reduce state prison spending by releasing non-violent, non-serious offenders from prison early.
- Whether the state should reduce certain tax credits, such as the dependent credit, or restructure other tax benefits, such as the mortgage interest deduction, to help close the budget deficit.
- Whether California should institute a carbon tax as part of the state's effort to reduce greenhouse gas emissions.

"The California Budget Challenge confronts users with some of the same choices policymakers in Sacramento are faced with. It helps them to appreciate the tradeoffs involved in putting together the state's budget," said Tim Gage, the former Director of the California Department of Finance and consultant to Next 10. Challenge users not only educate themselves about the budget, they also give state leaders feedback about the policies Californians think are important to the state's future. With the click of a button, Challenge users can take action and email policymakers about their budget priorities.

The 2008 California Budget Challenge can be accessed through Next 10's website at www.Next10.org.

About Next 10: Next 10 is an independent, nonpartisan organization that educates, engages, and empowers Californians to improve the state's future. Recognizing the complexity of issues confronting California today, Next 10 is focused on improving the state over the next ten years, and the ten years after that. Next 10 was founded by F. Noel Perry, a venture capitalist and philanthropist concerned about California today and the California our children will inherit. www.Next10.org