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Calif. governor's revised state budget at a glance

By The Associated Press

Here are details of the revised California budget Gov. Jerry Brown released on Monday:

SPENDING

Based on a rebounding economy and higher state tax revenue, the revised budget calls for general fund spending to rise above his previous proposal for the 2011-12 fiscal year, from \$84.6 billion in January to \$88.8 billion today. The revised number still represents a \$2.8 billion reduction from the 2010-11 general fund budget.

Total state spending, which includes federal money and revenue dedicated to specific programs, would rise to \$132.5 billion, about \$5 billion higher than in the current fiscal year.

DEFICIT

The projected deficit has fallen from \$26.6 billion earlier this year to about \$9.6 billion, according to the governor's office. That is due to:

- \$11.2 billion in cuts and funding shifts already adopted by the state Legislature and signed into law by the governor.
- \$2.2 billion in cuts approved by the Legislature that have not yet been sent to Brown.
- Estimated \$6.6 billion growth in tax revenue.
- \$2 billion in increased spending, largely on education, because of the higher income levels.
- Eliminates \$1 billion Brown had hoped to transfer from Proposition 10, the early childhood development program known as First Five, because it is tied up in litigation.

TAXES

Brown hopes to hold a special election asking voters to extend a series of temporary increases to the sales, personal income and vehicle taxes. Because all the taxes will expire by July 1, Brown wants the Legislature to approve temporarily tax increases until a special election can be held, possibly in the fall. The proposed tax solutions are:

- Maintaining an increase from 0.65 percent to 1.15 percent in the vehicle license fee and a 1 percent increase in the state sales tax for another five years. If approved, some of the revenue from the sales tax and vehicle license fees would go to local governments.

-- Suspending a temporary increase of 0.25 in the state income tax rate for 2011, but resume the increase for four years starting in 2012.

-- Ending a corporate tax break and streamlining the current tax structure by requiring all corporations to pay taxes solely on their share of sales in California, generating \$942 million.

EDUCATION

-- K-12 funding will rise by about \$3 billion under the voter-approved Proposition 98, bringing total school spending to \$66 billion, or \$38.7 billion from the general fund. That represents about 43 percent of all general fund spending. It would be the highest education guarantee since the 2007-08 fiscal year.

-- If the taxes are not extended, the Brown administration says it will be necessary to cut \$5 billion from schools and community colleges, which the governor called a "major downsizing of the state's education system." The administration said that would equate to eliminating 4 weeks of school and cutting 52,000 college classes, or alternately, laying off 51,000 teachers (one-sixth of California's public school teachers) and boosting community college fees to \$125 per unit from the current \$36.

-- Eliminates funding for the planned school data collection systems that are meant to better keep track of student academic performance, graduation rates and teacher data that would have enabled the state to track student performance by teacher. Total savings is \$3.5 million.

-- Restores about \$350 million the state owes to California community colleges that it had planned to delay paying, as well as \$133 million in increased property tax revenue.

-- There are no changes to funding proposals for University of California and California State University systems, each of which took a \$500 million cut already. But Brown's administration warns that without the tax extensions, each system would face an addition \$500 million cut.

HEALTH & HUMAN SERVICES

The state's health care programs for the poor were hit by the budget cuts adopted earlier this year by the Legislature and signed into law by Brown. They include:

-- Requiring beneficiaries of Medi-Cal, the state's health care program for the poor, to pay \$5 per visit for medical, clinic and dental visits, implementing a \$50 co-pay for emergency room visits, \$3 or \$5 for prescription drugs and up to \$200 per hospitalization. The changes are expected to reduce costs by \$668 million in the coming fiscal year.

-- Cutting Medi-Cal payments to doctors, pharmacies, hospitals and nursing facilities by 10 percent for a savings of \$423 million. -- Extending a fee on hospitals through the end of June, which netted \$210 million. The administration wants to extend the fee for another year, bringing in another \$320 million in the 2011-12 fiscal year.

-- Eliminating adult day health care, saving nearly \$170 million a year.

-- Capping the number of Medi-Cal doctor visits without prior approval at seven per year, saving \$41 million.

-- With the elimination of Healthy Families, which served poor children, Medi-Cal is expected to grow to more than 8 million recipients in the next fiscal year, from 7.5 million. Medi-Cal costs will go up, but the state will save a net \$31 million.

-- Medi-Cal costs will rise by \$188.5 million through June 2012 because of increasing costs for managed care.

STATE EMPLOYEES

-- Brown's budget would cut the state work force by about 5,500, including about 3,600 prison guards and other correctional workers whose jobs would be eliminated as the state transfers responsibility for low-level offenders to counties. Among the other cuts would be 746 Department of Labor jobs, 270 in the Department of Business, Transportation and Housing, 263 in General Administration and reductions from the closure of 70 state parks.

-- Brown proposes eliminating or merging 43 boards and commissions, for a total savings of \$82.7 million. They include nine advisory and review panels at the state Department of Fish and Game, the Rural Health Policy Council, the California Postsecondary Education Commission, the Office of Gang and Youth Violence Prevention, the Commission on the Status of Women and the California Anti-Terrorism Information Center.

Source: California Department of Finance.