Anatomy of Brown's budget plan

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The budget Jerry Brown will propose Monday includes deep program cuts, a June election to extend tax increases and a broad reordering of state and local government to close a deficit estimated at $25 billion to $28 billion, according to sources familiar with the plan. Here are some of the elements:

PROGRAM CUTS

Brown's proposed cuts would be felt throughout state government.

• Education: Provide K-12 schools with Proposition 98 minimum guaranteed funding. If June tax extensions fail, the guarantee would be suspended to allow deeper cuts.

• Higher education: Make deep cuts to both UC and CSU systems, in ways targeted to minimize fee hikes and enrollment reductions.

• State employees: Reduce spending in the six bargaining units that have not reached contract agreements, with savings similar to the 8 percent to 10 percent to which other units agreed.

• State organization: Consolidate some state departments and agencies.

• Governor's Office: Reduce budget by 25 percent ($7 million), including elimination of education secretary, Cabinet secretaries and first lady's staff.

• Parks: Shut state parks with lowest attendance.

• Libraries: Cut state funding for local libraries.

• Medi-Cal: Require patients to provide co-payments for services, limit doctor visits and reduce rates paid to health providers.

• Healthy Families: Increase participant premiums and co-pays, eliminate vision care.

• Welfare: Cut grants, impose stricter time limits on recipients getting grants, eliminate child care for 11- and 12-year-olds.

• SSI-SSP: Cut grants to the federal minimum for low-income elderly, blind and disabled individuals in the program.
• In-home care: Reduce the number of hours In-Home Supportive Services workers could care for elderly and disabled residents, cut domestic services like cleaning and laundry in cases in which caregivers live in the same home as recipients, typically family members.

• Developmental services: Make deep cuts to the system of 21 regional centers that oversee care for the developmentally disabled.

• Mental health: Use voter-approved Proposition 63 money to replace general fund money now spent on mental health.

• Children's programs: Ask voters to amend Proposition 10 to allow the state to use tobacco tax money now reserved for use by "First 5" commissions.

• Foster care: Eliminate transitional housing aid for 18- and 19-year-olds.

• Cal Fire: Reduce staffing on wildfires.

• Courts: Deep unallocated reduction to trial courts.

• Fairs: Cut all state funding for county fairs.

• AIDS: Require higher co-payments for AIDS drugs.

**REVENUE**

Brown will propose a variety of measures to increase revenue, in some cases directing the money to local governments.

• **Taxes:** Ask voters in June to extend 2009 increases to sales, vehicle and income taxes, raising $8 billion to $10 billion over 18 months. If approved by voters, the revenue from extensions of the vehicle and sales taxes would flow to local governments to help finance government realignment.

• Dependents: Indefinitely extend the $99-per-dependent tax credit. The credit was lowered from $309 per dependent in 2008.

• Enterprise zones: Eliminate business tax relief in depressed areas that have been designated as enterprise zones, saving the general fund hundreds of millions of dollars.

• Redevelopment: Eliminate hundreds of local redevelopment agencies, eventually redirecting property tax revenue they receive to cities, counties and schools.

• Borrowing: Continue borrowing from special funds and take a portion of Indian gambling revenue to general fund.
• Corporations: Require all multistate businesses to calculate their tax liability solely on their sales in California. Businesses could no longer use an old formula that accounted for property and payroll size.

• Transportation: Use truck weight fees for debt service on state transportation bonds, circumventing Proposition 22's restrictions on taking local transportation dollars.

REALIGNMENT

Brown will propose several plans to shift programs to local governments.

• Juveniles: Eliminate the state Division of Juvenile Justice, instead sending money to local governments to house juvenile offenders.

• Adult prisoners: Low-level, nonviolent, non-sex offenders without serious prior convictions would be housed in county jails. Money would be sent to local governments to increase jail capacity and bolster rehabilitation programs.

• Mandates: Reduce the number of services local governments are required to provide and perhaps give them greater latitude to raise revenue to pay for them.

More on the state budget

Key Budget 2010-11 links

- 2010-2011 California State Budget
- Legislative Analyst's Office review of the Governor's 2010-11 budget plan
- The California Budget Project on the 2010-11 budget
- California State Senate - Budget and Fiscal Review
- California State Assembly - Committee on Budget
- Historic Budget Documents

2009-10 budget links

- California Assembly Republicans - 2009/2010 Budget Update
- California Assembly Democrats - California's Fiscal Emergency
- California Budget Challenge Game

Bee budget forums

- State budget mess
- California Halts tax refunds
- Shared sacrifice: What would you do to help solve the budget crisis?
- Capitol & California: Furlough Friday