Jerry Brown says California's budget deficit has disappeared

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BUDGET HIGHLIGHTS

Here are highlights of Gov. Jerry Brown's proposed budget for the fiscal year that begins July 1:

• Taxes: Includes an extra $15 billion in revenue through June 2014 due to voter approval of Proposition 30, which increased income taxes on high earners and raised sales taxes. The tax increases allowed schools to avoid deep trigger cuts in December.

• K-12 schools: Provides $56.2 billion for the year, a $2.7 billion increase over the current year. Budget includes additional money for smaller class sizes in K-3, but doesn't require districts to use the money for that. Shifts adult education to community colleges.

• School energy: Provides half of Proposition 39 funding – $450 million this year – to school energy efficiency projects outlined in the ballot measure that closed a tax loophole for out-of-state companies.

• Courts: Proposes a $200 million cut that will delay additional courthouse construction projects for up to a year.
• State workers: Assumes size of state workforce will remain flat, but includes money for previously approved salary increases. No new salary increases or furlough days are anticipated.

• Child care: Proposes no new funds for various subsidized child-care programs, but calls for a study group to recommend streamlining of various programs.

• Higher education: Proposes an average 10 percent general fund increase to CSU, UC and **community colleges**. Calls for efficiencies at three systems, including a cap on the number of hours a student can take at the lower resident tuition rate. No fee increases are envisioned.

• Medi-Cal: Proposes to permanently extend the tax on managed care plans. Estimates that federal changes to Medicaid will cost the state $350 million extra in 2013-14.

• Welfare: Continues major changes from last year that created a two-year **time limit** for adults to get cash grants and work assistance, but provides an extra $142 million to expand county-run employment services and case management.

• SSI-SSP: Assumes cost-of-living increases in monthly grants for low-income aged, blind and disabled that will amount to $20 a month for individuals and $30 for couples.

• In-home care: Proposes a 4.9 percent increase, in part to lift a previously approved 3.6 percent reduction in in-home recipient hours. Budget assumes state will prevail in court and implement a separate 20 percent reduction in hours on Nov. 1 for $113 million in savings.

• Mandates: Eliminates requirement that local governments perform certain activities, including taking police reports for identity theft cases.