



June 27, 2011

Time for Plan B

In a press conference this afternoon, Governor Jerry Brown, Senate President pro Tempore Darrell Steinberg, and Assembly Speaker John Perez announced their agreement on a majority-vote budget package to be put before the Legislature for its consideration as early as tomorrow. The budget plan was negotiated when it became clear to the Governor, after receiving a text message last night, that sufficient votes would not be forthcoming on his proposal to put tax extensions and constitutional protections before the voters at a special election.

The budget plan anticipates healthier than anticipated General Fund revenues to bolster funding for education, but, should those revenues not materialize, an additional \$2.6 billion in cuts would be triggered. Those cuts would be focused primarily in the areas of education, UC/CSU, and the judiciary.

The Governor told the press that the budget also fully funds his realignment plan. Earlier today, the *Sacramento Bee* reported that the source of funding for realignment was 1% of the state sales tax rate.

The leaders reiterated that there was much work left to do on the state's structural imbalance and that November 2012 election would be the time to finish the job.

Obviously, there are a great many details still to be released as to the full budget package. As soon as we know the particulars, we will fill you in.

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