Brown's budget increases spending by 8.5 %

By Jim Christie and Sharon Bernstein, Reuters

Gov. Jerry Brown continued his message of fiscal restraint in his state budget plan, which would increase funding for education but not restore many recession-era cuts, including healthcare services for the poor.

Brown's plan, which was leaked Wednesday night and posted online, proposes spending \$106.8 billion from the state's general fund, and sets up a \$1.6 billion rainy day fund, according to a copy posted by the *Sacramento Bee* and confirmed to Reuters by an aide to a top Democratic lawmaker. The official release was planned for Friday, but was changed to today.

While the plan would increase general fund spending in the state's next fiscal year — by \$8.3 billion, or 8.5 percent — it does not include many programs pushed by his fellow Democrats.

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