

# Brown unveils 'good news' budget

By Josh Richman, Jessica Calefati and Tracy Seipel, San Jose Mercury News

SACRAMENTO – Gov. Jerry Brown said today that his revised budget proposal is “good news for California,” paying down \$11 billion in debt while for the first time setting the state “on a plan to fully fund our teachers’ pension system.”

But saving money for harder times remains a priority, he said. Brown stood flanked by charts, one of which showed that “balanced budgets have quickly been followed by huge deficits” and the other depicting how unpredictable capital-gains tax revenue – one of the state’s most important and most volatile funding sources – can be from year to year.

“Most of that is paid by the most fortunate among us,” Brown said. “That variability has to be captured in the rainy-day fund.”

And costs of new Medi-Cal enrollment under the nation’s new health care law increased by \$1 billion just from January to May, Brown noted. That, he said, is another argument for having deep reserves.

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