GOVERNOR NEWSOM RELEASES “MAY REVISION” OF BUDGET
Library programs intended for funding are “withdrawn” due to $54.3 billion Budget deficit

During a press event held at the noon hour today, Governor Gavin Newsom released his “May Revision” of the 2020-21 State Budget, which updates the Budget that he proposed in January. In the “May Revision” document, the Governor writes: “In January, California was the rocket fuel powering the American economic resurgence – with 118 consecutive months of growth, stratospheric job creation, and the highest credit rating in nearly two decades...Now, our state is in an unprecedented emergency, facing massive job losses and shortfalls in record time. This Budget reflects that emergency.” He goes on to state, “This is no normal year. And this is no ordinary May Revision.”

In a very sobering presentation, the Governor announced a $54.3 billion Budget deficit brought on by the unprecedented COVID-19 worldwide crisis. He said that the state was specifically impacted by 4.6 million people filing claims for unemployment since March 12, and a 27.2% decline in the sales tax, a 25.5% decline in the Personal Income Tax, and a 22.7% decline in the corporate tax. The Governor said, “These numbers are simply without precedent in modern times.” Governor Newsom is proposing a series of cuts and solutions, including cutting K-12 education across-the-board by 10 percent, a proposed 10 percent reduction to state employee salaries, and over 15 percent of the May Revise solutions represent cuts that are associated with a “trigger” if federal funds don’t materialize.

Of importance to CLA members, the Governor has “withdrawn” (is proposing to not fund) the $1 million in “one-time” funds for “Lunch at the Library” that he had previously included in his January Budget. The Governor is also “withdrawing” $1 million in “one-time” funds for Zip Books that he previously intended to fund in 2020-21. In April, CLA had sent letters to the Governor’s Director of Finance and the Senate and Assembly Budget Chairs in the hopes that this funding would be retained. However, the Governor states in the “California State Library” section of the May Revise: “The state is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession.”

As mentioned, the Governor’s Budget also includes cuts that are associated with a so-called “trigger,” which is dependent upon the President signing House Speaker Nancy Pelosi’s “HEROES” Act package at the federal level. The federal relief package would provide funding for states to use for financial recovery brought about by the coronavirus epidemic. Included in these proposed trigger cuts is a reduction of $1.75 million to the California Library Services Act. The Governor said, “Nothing breaks my heart more than making Budget cuts. One thing I know about cuts is there is a human being behind every number.” The Governor said that the cuts “could be dismissed” if the President were willing to sign the Speaker’s package. “It’s in the
control section of the Budget Act. If the federal government does what it must do to help states, these cuts will go away.”

The Senate and Assembly Budget Committees will now hold a series of hearings related to the Governor’s May Revision and will view his various proposals, including those related to the State Library/public libraries. California’s Constitution requires the state to pass a balanced Budget by June 15, 2020. We will continue to keep you posted as details emerge.