

June 24, 2020

TO: CLA MEMBERS/ SYSTEMS/ NETWORK CONTACTS

FROM: Mike Dillon and Christina DiCaro, CLA Lobbyists

RE: News From the Capitol

STATE BUDGET DEAL INCLUDES A CUT TO CA LIBRARY SERVICES ACT

On June 15th, the 2020-21 State Budget bill, SB 74, was approved by both the Assembly and Senate and was subsequently sent to Governor Newsom for his action. SB 74 seeks to close a projected \$54 billion Budget deficit while still retaining protections for “safety net” programs and K-12 education.

However, due to the abbreviated legislative session, brought on by the coronavirus pandemic, the Senate and Assembly were not able to secure an official “deal” with the Governor relative to the State Budget before they sent the main Budget bill down to him. Negotiations between the two Democrat Leaders and the Governor over the weekend were successful and a new, supplemental agreement was reached over the last few days.

Prior to the agreement, the two houses and the Governor were at a stalemate regarding: 1) the level of revenues that should be utilized when crafting the Budget and 2) how and when a so-called “trigger” should be pulled in order to impose cuts to programs if \$14 billion in federal assistance does not materialize. The new agreement made with the Democrat Leadership and the Governor in recent days represents a trigger which will occur on July 1 and will make massive cuts to Budget areas such as a \$2.9 billion cut to state employee payroll, a \$250 million cut to low income and moderate housing, a \$150 million cut to courts, \$970 million cut to UC and CSU, and \$12 billion dollars in deferrals to K-12 education – all of which would be reversed if the federal dollars are received.

Unfortunately, despite our best attempts, the legislature and the Governor are making a cut to the California Library Services Act in the amount of \$1.75 million, which will leave \$1.88 million in the baseline for the program. This cut is not tied to the “trigger” as best as we can tell. We have attempted to get clarification of this action but it appears the \$1.75 million would not be restored under the trigger package in Budget trailer bills, AB 89 and SB 121. (The CLSA reduction appears in the main Budget bill, SB 74.)

The Senate Budget Committee convened late this afternoon to begin processing 20 so-called “Budget trailer bills” that implement the terms of the new deal with the Governor. The Committee will be working late into the evening tonight and then the full Senate and Assembly will vote on the bills by this Friday.

The legislature will not know what the state’s true fiscal condition will be until California receives the July 15 tax receipts, and there will likely be Budget clean-up items that need to be considered by the legislature in August. In the meantime, the California Library Association Legislative Committee, Chaired by Carol Frost and Scott Love, will be meeting to discuss the development of a grassroots campaign which would seek to restore the CLSA cut if state revenues improve.