



TO: California Community Colleges

FROM: Lizette Navarette, Vice Chancellor, College Finance and Facilities Planning

RE: 2020-21 State Budget Update – Placeholder Bill

Senate-Assembly 2020-21 Budget Placeholder Bill:

On June 15, the Assembly and Senate approved **Senate Bill (SB) 74**, a placeholder 2020-21 budget bill which ensured the Legislature met the constitutional deadline to approve a state spending plan and avoided loss of their pay per Proposition 25. The bill, SB 74, only includes the Legislature's version of the 2020–21 State Budget and is not anticipated to be the final 2020-21 budget agreement.

Negotiations between Governor Newsom and the Legislature are still underway with a goal of reaching an agreement on the 2020–21 State Budget Act before the end of the fiscal year.

Once an agreement has been reached with the Governor, the Legislature will amend SB 74 and approve a subsequent budget bill Jr. that reflects the compromise.

In addition to the placeholder budget bill, the Legislature also passed Assembly Bill (AB) 76, which defers \$330 million in 2019-20 community college apportionments from May and June to the next fiscal year. AB 76 defers these payments to July 2020. Since these funds were already distributed, this deferral is primarily for state accounting purposes. Unlike SB 74, the deferrals in AB 76 are part of a Legislative-Governor agreement.

Next Steps:

After receiving SB 74, the Governor has 12 days to take action. Possible actions include: 1) approve the Budget bill as presented, 2) approve the Budget bill with specific line item reductions, or 3) veto the Budget bill and send it back to the Legislature. The Senate President pro Tempore and the Assembly Speaker will continue negotiations with Governor Newsom and the Department of Finance. **A budget agreement is expected by July 1.** **Given the anomalies seen in this year's budget process, much can still change between now and the final approval of a 2020-21 state spending plan.**

For more information throughout the budget process, please visit the **Budget News** section of the Chancellor's Office website:

www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News, or contact me at lnavarette@cccco.edu.