



GOVERNOR
Gavin Newsom

May 14, 2020

To the members of the Senate and the Assembly of the California Legislature:

The world has changed dramatically since I proposed my budget in January. A global health crisis has triggered a global financial crisis—threatening both lives and livelihoods across the nation and world.

As this emergency has unfolded, Californians have met the moment—acting quickly to protect one another whether serving on the frontlines or staying at home. Together, we flattened the COVID-19 curve and saved lives. Now, we are confronted with a steep and unprecedented economic crisis.

This is no normal year. And this no ordinary May Revision.

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. Together, we'd built the largest rainy day fund in state history, made prudent one-time investments and paid off our wall of debt. Because of this work, California is in a far stronger fiscal position today than it has been during previous downturns.

Now, our state is in an unprecedented emergency, facing massive job losses and shortfalls in record time. This budget reflects that emergency. California is once again called to lead—to adopt an on-time, balanced budget that protects our people and progress from the most acute effects of the harm and uncertainty caused by COVID-19.

I am proposing a fiscal blueprint to fund our most essential priorities—public health, public safety and public education—and to support workers and businesses, especially small businesses, who are the lifeblood of our economy. California will do its part to keep our communities healthy and safe, to shorten the economic shadow of the current crisis, and build a bridge to recovery and renewal.

California did not create this problem and should not be required to solve it alone. The federal government must pass a relief package for state and local governments. Without one, deep cuts to core services like schools, universities, and safety net programs will be unavoidable—both in California and across the country.

Our economy has changed, but our values remain the same. I look forward to working with you to pass a budget that aligns with both our shared principles and our reduced means. While we can't be certain how fast recovery and renewal will come, we know California and Californians can and will get through this.

We have the talent, drive, diversity and work ethic to not only persevere but to overcome. We are strong of will and generous of spirit. We've faced—and faced down—unanticipated adversity and, every time, emerged stronger than ever. It's the California story, and this is only the latest chapter.

By standing strong and standing together, we can and will meet this difficult moment and build a bridge to a brighter future.

With respect,

/s/

Gavin Newsom