



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

GAVIN NEWSOM • GOVERNOR
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March 24, 2020

Honorable Holly Mitchell, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant (2)

2020-21 April 1/May 1 Finance Letters and May Revision

On March 4, 2020, the Governor declared a state of emergency to help the state prepare and respond to COVID-19. Since then, state departments have been engaged in numerous and various response activities and the Legislature appropriated up to \$1.1 billion General Fund to support these and local efforts.

Despite the sustained efforts, the virus continues to spread and is impacting nearly all sectors of California's economy. Among these impacts is a potentially severe drop in economic activity, with corresponding negative effects on anticipated revenues for the upcoming 2020-21 fiscal year and beyond. In light of this evolving situation, the Department of Finance will not propose any April 1 Finance Letter adjustments to the Governor's Budget or any May 1 adjustments to the Governor's Budget in appropriations for capital outlay. We will reevaluate all budget changes within the context of a workload budget. This includes all April 1 and May 1 requests, all potential adjustments to be included in the May Revision, as well as previously approved adjustments incorporated in the Governor's Budget.

While our first priority is the state's response to COVID-19, we must also meet our constitutional obligation to enact a balanced budget for the coming year. We look forward to working with you and your staff to accomplish both of these objectives in the coming weeks and months.

If you have any questions or need additional information regarding this matter, please call me at (916) 445-4141.

Sincerely,



KEELY MARTIN BOSLER
Director

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Budget Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Attention: Cyndi Hillery, Budget Director
Gabriel Petek, Legislative Analyst (4)
Christopher W. Woods, Senate President pro Tempore's Office (2)
Jason Sisney, Assembly Speaker's Office (2)
Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Joe Shinstock, Chief Consultant, Assembly Republican Leader's Office