



BUDGET NEGOTIATIONS BETWEEN THE GOVERNOR AND STATE LEGISLATURE REMAIN ONGOING

Dear Partner,

Back in January, Governor Gavin Newsom released his proposed 2020-21 budget and projected over \$5.6 billion in revenue. He included significant investments around homelessness, health care coverage and paid family leave. Since then, the COVID-19 pandemic has drastically changed the state budget outlook, leaving the governor and the legislature with the difficult task of closing a \$54 billion budget deficit. UNITE-LA urges Governor Newsom and the legislature to work out a deal that focuses on equitable solutions to help uplift our state's already struggling families while also taking steps to strengthen our state's economy.

UNITE-LA **applauded** Governor Newsom's proposed 2020-21 budget, which at that point, paved a promising path towards ensuring all families have an equitable opportunity to thrive. His proposed budget included strong commitments to early childhood, teacher training and retention, higher education and paid family leave.

Fast forward to June, the state legislature passed a budget on June 15 in order to meet a constitutional deadline. Their plan rejects most of the governor's cuts to education and other critical systems and assumes that the state would receive additional federal resources. The governor and state legislature have until June 30 to reach an agreement, but budget negotiations may continue into the fall as Congress decides whether to provide states with additional funding.

Over the last few weeks, UNITE-LA has worked vigorously to influence Congress in providing a significant infusion of resources, in the form of stimulus packages, to help states recover from the COVID-19 aftermath and ensuing economic recession.

Our state's education and workforce systems are hurting. The child care system is facing an unprecedented and existential crisis as **looming cuts** will force more child care providers to go out of business. School districts are spending resources they do not have to ensure a continuity of learning and student well-being and are simultaneously facing historic budget cuts which are expected to last for years to come. College students are experiencing a sudden loss of educational opportunities, as well as financial, food and housing insecurity. In light of the staggering unemployment rate, we need a comprehensive workforce development strategy that supports unemployed and underemployed workers in reentering the workforce and businesses in meeting workforce shortages.

Of particular importance to UNITE-LA is the expansion of paid family leave benefits. Not all employees who pay into paid family leave are guaranteed their job back if they take a leave of absence, whether it be to care for a child or ailing family member. Only individuals working for a company with more than 20 employees are guaranteed their job. The proposed budget would extend these benefits to all employees regardless of the size of the employer. The proposal also sets aside resources to help small businesses cover the cost of offering paid family leave benefits. A [recent analysis](#) from the Bay Area Council Economic Institute shows that participation in the paid family leave program has grown and that small businesses do benefit when their employees participate in paid family leave. UNITE-LA President and CEO David Rattray sat on the governor's advisory taskforce for paid family leave, which helped inform these recommendations. UNITE-LA urges state leaders to support paid family leave in the final 2020-21 budget so that families can take care of their health without risking their jobs.

There is no doubt this will be a different and very difficult budget year for California. The biggest challenge facing the governor and state legislature is agreeing on a "California for All" budget. Much of it will depend on what Congress decides to do next. The governor's proposal cuts spending in the front end, while state legislators propose to enact automatic "trigger cuts" only if federal resources do not trickle down to states. Anything can happen between now and October 1, which is the last day state legislators can expect Congress to deliver on additional resources. While cuts may be inevitable, UNITE-LA urges state leaders to work out a deal that once again puts California as one of the largest economies in the world while also investing in families that have historically been excluded from economic mobility.

Thank you for your partnership,

Sonia Campos-Rivera
Vice President, Policy & Public Affairs
UNITE-LA