

Governor Newsom Signs 2021–22 State Budget July 13, 2021



On the evening of July 12, 2021, Governor Gavin Newsom approved the \$262.6 billion spending plan for the 2021–22 fiscal year by signing Senate Bill (SB) 129 into law. SB 129 reflects the State Budget agreement that Governor Newsom reached with legislative leadership by amending Assembly Bill (AB) 128 ([Chapter 21/2021](#)), the main State Budget bill that the Legislature sent to Governor Newsom in order to meet its June 15 constitutional deadline.

Although Governor Newsom has the authority to veto any budget line item, he used his “blue pencil” only once (on a wildfire issue), as the State Budget is based on negotiated compromises between Democratic legislative leadership and Governor Newsom.

While Governor Newsom has already signed a number of budget trailer bills, we are still waiting for him to take action on AB 138, the employment budget trailer bill that reduces the School Employees Fund contribution rate from 1.23% down to 0.50% for the 2021–22 and 2022–23 fiscal years. The Governor has until Monday, July 19, 2021, to sign or veto AB 138 or the measure automatically becomes law without his signature.

We are also waiting for the Legislature to approve and send AB/SB 132, the postsecondary education trailer bill, to Governor Newsom. AB/SB 132 contains the implementing language for most of the higher education provisions in the State Budget and would make significant changes and additions to the higher education statute, including:

- Retiring all community college deferrals created in the 2020–21 State Budget

- Extending the Student Centered Funding Formula (SCFF) hold harmless provision from 2023–24 to 2024–25
- Allowing community colleges to use federal funds to waive student fees
- \$115 million one-time for zero-textbook-cost degrees
- Establishing basic needs coordinators and basic needs centers and provides \$100 million one-time to address student basic needs
- \$90 million one-time to support increases to part-time faculty office hours
- \$511 million one-time to support deferred maintenance projects
- \$50 million one-time for the continued implementation of the Guided Pathways

Program

- \$20 million one-time to support the implementation of best practices in promoting equal opportunity employment
- \$20 million for California Community Colleges to establish and expand High Road Training Partnerships and High Road Construction Careers
- \$20 million one-time to support culturally competent professional development
- \$10 million one-time to support LGBTQ+ students

Other provisions, such as the 5.07% increase to the SCFF are included in the main 2021–22 State Budget bill, which has already been signed by Governor Newsom.