



May 15, 2020

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol, First Floor  
Sacramento, CA 95814

The Honorable Toni Atkins  
Senate President pro Tempore  
State Capitol, Room 205  
Sacramento, CA 95814

The Honorable Anthony Rendon  
Speaker of the Assembly  
State Capitol, Room 219  
Sacramento, CA 95814

The Honorable Holly Mitchell  
Chair, Senate Committee on Budget and Fiscal Review  
State Capitol, Room 5050  
Sacramento, CA 95814

The Honorable Phil Ting  
Chair, Assembly Committee on Budget  
State Capitol, Room 6026  
Sacramento, CA 95814

**Re: Recommendations for the 2020-2021 Budget**

Dear Governor Newsom, Pro Tem Atkins, Speaker Rendon, Senator Mitchell and Assemblymember Ting:

Thank you for the opportunity to provide comments on the 2020-2021 budget. We applaud Governor Newsom for putting forward a May Revise that puts people first, including sustained funding for direct assistance programs that will help those in most need. The pandemic has exacerbated long-standing inequalities in our communities, and we believe that focusing on the people most impacted by the crisis will make our state better for everyone. This letter outlines several proposed changes that we feel align with the Governor’s goals while also improving community resiliency and making wiser use of our increasingly limited general fund resources.

The California Environmental Justice Alliance (CEJA) is a statewide alliance of grassroots, community-based organizations that are working in some of the communities hardest hit by the coronavirus. This letter echoes

and uplifts a wide set of demands put forth by our member organizations and partners: Asian Pacific Environmental Network (APEN), Center for Community Action and Environmental Justice (CCA EJ), Center on Race, Poverty and the Environment (CRPE), Central Coast Alliance United for a Sustainable Economy (CAUSE), Communities for a Better Environment (CBE), Environmental Health Coalition (EHC), Leadership Counsel for Justice and Accountability, Physicians for Social Responsibility-Los Angeles (PSR-LA), People Organizing to Demand Environment and Economic Rights (PODER), and Strategic Concepts in Organizing and Policy Education (SCOPE).

We must lean on our values to guide us through this crisis. The urgent needs in our communities and the constitutional imperative to pass a balanced budget is overwhelming, but we can't lose sight of the opportunity to align our relief efforts with a long-term recovery that builds a more just, equitable, and resilient economy than we had before the pandemic. With these values in front of mind, CEJA has recommendations for the 2020-2021 budget that lean on the following principles:

- Requiring industries that do harm to communities to pay for the impacts of their actions.
- Prioritizing measures that provide direct relief to households while also providing meaningful employment opportunities and improving resiliency against future crises or climate impacts.
- Preventing further harm to environmental justice communities, and promoting direct emissions reductions to improve public health.
- Letting communities most impacted by this crisis lead in the design and implementation of the solutions.

We strongly urge the Legislature and this Administration to take action to address, in no particular order of preference, the following:

- **Alleviate general fund pressure by requiring industries to pay their fair share of cost:** there are an overwhelming number of impacts and needs in California communities. Now more than ever we need to lean on the industries who profit off of our communities to shoulder the cost of dealing with the impacts of their activities, and to share in the responsibility for ensuring our communities have the tools to safely weather this crisis.
  - **Fully fund CalGEM enforcement:** the Administration has acknowledged that understaffing at the California Geologic Energy Management Division (CalGEM) is a risk to public health, as they lack sufficient personnel to monitor and enforce current law. The January 2020 budget included a Budget Change Proposal (BCP) from CalGEM for 128 positions over three years to meet that need, but that BCP was eliminated in the May Revise. These positions are paid for by industry fees, not the general fund. As families shelter in place next to oil extraction operations, and as evidence grows that the pollution associated with these operations exacerbates the impacts of COVID-19, now is not the time to give industry a free pass on enforcement. CEJA recommends that the budget include the full allocation of personnel needed to adequately staff CalGEM.
  - **Freeze utility rates and mandate debt forgiveness:** As residents struggle to make ends meet during this economic crisis, they cannot afford any increases in fees for essential utilities, and many may be unable to pay their bills. CEJA recommends that the budget include a freeze on utility rates for electricity, water, phone and broadband services until at least six months after the economic crisis has passed and residents are able to access meaningful employment opportunities. People should be able to engage in basic wellness activities without the fear of increased economic hardship. CEJA also recommends that the budget include a policy mechanism to require utilities to cover the debt of nonpayment for households who have lost income due to COVID-19, including a mechanism for public or community-owned utilities to recoup some of those costs from the state at a later date.

- **Prohibit utility shut-offs:** As more and more residents are laid off or have their hours cut, state and city governments and utility regulators and boards must enact moratoriums on all power and water shut offs for non-payment. These moratoriums must last for at least six months beyond the end date of the state of emergency, in order to allow a sufficient grace period for families to recover from unemployment and other pandemic-related impacts. In addition to halting utility non-payment shutoffs, public and investor-owned utilities and service providers should also be prohibited from increasing rates during the public health crisis.
- **Investor-Owned Utility responsibility for public safety power shut-offs and wildfire risk:** negligence of the state's investor-owned utilities has led to an unacceptable risk of catastrophic wildfires in California, and the need to conduct public safety power shut-offs (PSPS) to mitigate the potential risk that poorly-maintained utility lines will spark wildfire events. Those utilities bear the responsibility of these mitigation measures, and should be recording such costs in the appropriate memorandum accounts, to decrease wildfire liability by maintaining their lines and to cover the costs of the impacts of PSPS in the meantime.
- **Affordable housing without displacement:** we understand that there are improvements that need to be made to local development processes to make it easier to build affordable housing, and that those reforms need to be accompanied by strong protections ensuring that new units built are truly affordable and that nearby residents are protected from displacement. CEJA would like to remind the Legislature and the Governor of [the concerns tenant rights groups had with SB 50 \(Wiener\)](#), and encourage any housing development reforms to intentionally engage these groups to ensure their concerns are addressed.
- **Increase direct relief for impacted communities:** we cannot focus on recovery until we ensure that our workers and communities are stabilized, which means increasing funding for direct aid programs to help households access critical resources to get them through this crisis and avoid potentially crippling debt when the crisis is over.
  - **Cancel rent and mortgages:** many residents throughout California will likely not be able to afford to pay back several months of rent or mortgage payments when this crisis is over - especially as economic recovery is sure to continue for years. Assistance to renters and homeowners, regardless of immigration status, who have lost income due to the pandemic to pay their rent and mortgages should be a priority to prevent a massive eviction and foreclosure crisis in California. CEJA recommends that California move to cancel rent and mortgage payments for the duration of the pandemic, including all rent and mortgage payment obligations and late fees, and prohibit the assignment or collection of debt and adverse credit score impacts for unpaid rent or mortgage accrued during the pandemic. California should also require mortgagees and landlords to agree to heightened tenant and mortgage protections, including a freeze on rent increases, as a condition of financial relief provided to them.
  - **Include undocumented Californians in the safety net:** we support Governor Newsom's emergency funding for relief to undocumented Californians, but recognize this will only provide small one-time grants for 150,000 of the 2.3 million undocumented residents in the state. Immigrant workers who have disproportionately lost jobs during the pandemic need ongoing support in order to survive the duration of the crisis. The exclusion of 1 in 10 California workers from unemployment insurance is unsustainable during this crisis and beyond, as we have already seen with the growing economic impact of wildfires due to climate change. CEJA strongly encourages the Legislature and the Governor to include significant support for undocumented communities in the 2020-2021 budget.
  - **Access to safe and affordable drinking water:** the passage of SB 200 (Monning) last year was an important step in providing safe and affordable drinking water to all Californians, but that

progress has been undercut by the pandemic. Many of the communities we work in cannot drink or shower from the tap because their water is highly contaminated. Residents who have lost income cannot pay for water deliveries, and many deliveries have been delayed or stopped due to logistical challenges. California must take immediate action to ensure residents can access safe and affordable drinking water. CEJA urges the Legislature to protect funding for safe and affordable drinking water in the Greenhouse Gas Reduction Fund.

- **Expanded access to broadband:** staying at home means that many residents are dependent on broadband to access employment opportunities, educational resources, and enrollment in essential programs for benefits or other household resources. Far too many Californians lack access to broadband services - either due to lack of financial resources or lack of sufficient infrastructure to provide sufficient services to residents. California must take meaningful steps to expand broadband access during and after this crisis so all residents can have access to online opportunities. Rather than fund additional access mapping, CEJA recommends that California allocate funding to cover the cost for broadband access for households who cannot afford it.
- **Prohibit environmental rollbacks:** as growing evidence shows the correlation between exposure to pollution and impacts of COVID-19, and as the federal government further abdicates their role in environmental regulation, California must resist calls to roll back or waive environmental protections. This includes ensuring the protection of funding and policy support for implementation and strengthening of AB 617 (C. Garcia, 2017) to improve air quality in environmental justice communities, and CARB's Innovative Clean Transit Rule to transition bus fleets to Zero Emission Buses. CEJA also encourages the Legislature and the Governor to prevent further weakening or streamlining of the California Environmental Quality Act (CEQA), an important tool for environmental justice communities to have a voice in developments that may negatively impact their health.
- **Protect and grow a people-centered economy:** in keeping with the People's Bailout Platform, all stimulus and industry-focused relief efforts should require compliance with pro-worker policies, such as enactment of a company-wide \$15 or higher minimum wage, compliance with high-road labor standards, local hire requirements, project labor agreements, adoption of a neutrality policy with regard to union collective bargaining, and adoption of a "ban the box" hiring policy to ensure fair employment opportunities for all.
- **Focus on setting up a community-led just recovery:** the current pandemic is intersecting with our climate crisis at a critical moment in time. The recovery from this crisis presents an opportunity to increase our resilience and address historic discrimination that has led to poor job quality and negative impacts on human health for EJ communities. Rather than work to return to "normal," California should focus investments and plans on addressing those inequities and building an economy that is better for workers and communities; in other words, **we don't want our economy to bounce back - we want to bounce forward**. We have the opportunity and imperative to leverage any relief and recovery efforts to transition our economy toward one that is more equitable, sustainable and resilient. The budget should focus on funding community-led "Green Zones" solutions that can address multiple, coordinated community needs, helping to improve public health, economic sustainability, community resiliency, environmental burdens, and the long-term impacts of climate change. Such solutions can include environmental improvements like equitable access to green space and healthy homes.
  - **Ensure community voice in the Governor's Task Force on Businesses and Jobs Recovery:** any solutions to our economic crisis will be better and easier to implement if we engage communities early and often throughout the Task Force's deliberations. CEJA requests that the Task Force's membership be expanded to include representatives working directly with environmental justice communities in California, and that the Task Force work with

environmental justice groups to design and implement a process for input from impacted communities.

- **Target spending in impacted communities:** research is showing that communities who have historically been burdened by air pollution are being hardest hit by COVID-19. As with California's commitment to funding environmental justice communities through the Greenhouse Gas Reduction Fund, CEJA recommends that any investment in a just recovery prioritize the communities hardest hit by this pandemic.
- **Reform the Department of Toxic Substances Control:** the Administration, the Legislature, and impacted communities have been engaged in a robust process to identify much-needed reforms for the Department of Toxic Substances Control to be included in this year's budget. Communities are currently sheltering in place in close proximity to toxic sites, and the continued remediation of those sites can provide valuable jobs in our economic recovery. CEJA requests that the Legislature adopt the Governor's proposal for a Board of Environmental Safety.
- **Protect critical investments from the Greenhouse Gas Reduction Fund:** secondary market prices for credits for compliance with California's cap-and-trade program have fallen. As we await the auction results in May and August, we agree with the Department of Finance that there will be less revenue than in previous years. The GGRF has provided critical funding to programs that provide direct environmental and economic benefits to communities impacted by pollution while creating meaningful jobs and protecting public health - positive impacts that are needed now more than ever. CEJA urges the Legislature to eliminate funding for agricultural diesel vehicle replacement incentives, protect the Governor's recommendations for drinking water and AB 617, and add in funding for the Low-Income Weatherization Program and the Transformative Climate Communities Program that have proven to be effective.
- **Protect the democratic voting process:** while the pandemic has made voting in person a risk, eliminating in-person voting will disenfranchise voters across the state. It is imperative that California fully fund and uphold a statewide mandate to maintain in-person voting location requirements while ensuring that all voters can vote safely and securely. Any reforms to the November 2020 General Election voting model should protect access, employ large public education campaigns, and focus on equity. CEJA recommends the budget include \$250 million to protect voting during the pandemic, and that the Governor and Legislature adopt the policy provisions outlined in CEJA's Letter, ["Recommendations for California's November 2020 Elections - COVID-19 Response."](#)

**We support the Administration's call for the Federal Government to provide immediate and meaningful economic relief to our state so we can prevent substantial cuts to essential programs, but also recognize that a longer term revenue solution is necessary.** We hope to engage with the Governor's Office and the Legislature in robust discussions about potential funding mechanisms that will not do further harm to impacted communities, and that will help generate the revenue we need to get through this crisis and toward a more resilient and equitable economy.

Finally, as you begin budget deliberations we would like to reiterate the ["Recommendations to Promote Equitable Public Participation in the California Legislature During and After COVID-19,"](#) put forward by our environmental justice partners. CEJA and our partners stand ready to help the Legislature ensure the public has full and meaningful access to these important conversations as they unfold over the next several weeks.

Thank you again for the opportunity to provide comments and for your consideration of our requests. Should you have any questions about our letter, please do not hesitate to reach out to Katie Valenzuela, CEJA Policy

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Sincerely,

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