

# CALIFORNIA LEGISLATURE

STATE CAPITOL  
SACRAMENTO, CALIFORNIA  
95814

January 7, 2021

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

Dear Governor Newsom,

Californians are hurting. The loss of lives, livelihoods and learning in the past eight months has created a dire mental crisis. The challenges of this pandemic did not occur in a vacuum, but the new specter of COVID-19 exposed and heightened problems that had been building for years. Unaffordable housing, for example, created crowded living conditions that increase the risk of transmitting COVID within families. Sadly, many of these problems were worsened by misguided laws and regulations pushed by special interests, and passed into law by the Legislature.

With the unexpected \$26 billion revenue, we have an opportunity to help Californians who desperately need it. Budget actions must directly help Californians, not merely advance old agendas under the guise of COVID assistance. We should not be prioritizing precious state dollars to line the wallets of well-connected Sacramento special interests or on half-baked policies. Below are several major steps that should be priorities in this year's budget:

**Prioritize School Openings and Recovery from Loss Learning for Students.** Distance "learning" is not learning at all. Unprecedented numbers of children are failing, and countless are suffering from anxiety and isolation. Budget dollars must respect children's needs and safety concerns, not the teacher unions' demands.

The budget must invest in students by giving schools the money they need to reopen safely as soon as possible and to make up for lost learning by adding hours of instruction or summer school for math and English. Funds should also be provided to help students confronting new mental health issues brought on by shutdown-induced stresses.

**Help Small Businesses the State Forced to Close.** The Governor's ever-changing rules to lock down businesses, especially restaurants, has caused many to shut down permanently. More mom-and-pop shops may soon follow, resulting in more Californians losing their jobs. Other states have seen lower COVID caseloads even with much less restrictive shutdown regimes. The state has an obligation to help businesses who are courageously doing everything they can to stay afloat. Republican Senator Andreas Borgeas introduced Senate Bill 74 to dedicate 10 percent of the state's one-time revenue windfall to assisting businesses. This

bipartisan proposal can provide billions of dollars to aid businesses, and put Californians back to work.

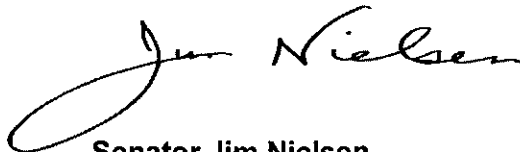
**Assistance for Deserving Workers, Not Prisoners.** The state Employment Development Department (EDD) has been a massive failure by any measure. Unemployed Californians have to jump through hoops to receive their benefits, while fraudsters and prisoners managed to wrangle billions of dollars. This insanity must stop. Senator Shannon Grove has introduced Senate Bill 39 to require badly needed reforms. To complement this effort, the state should immediately invest money to ramp up staffing, rework systems, and remove obstacles to get deserving Californians the help they need.

COVID challenges are making California's existing problems worse. California is no longer the Golden State it once was. Recent news stories documented the increase in Californians choosing to move out of state. The budget can and should take major steps to help address the problems, but we cannot spend our way out of this mess. Budget investments alone will not be enough if cumbersome laws and regulations do not substantially change.

Californians need a responsible budget that prioritizes opening schools, helping businesses, and providing assistance to workers. We want to be a state that enables entrepreneurs and businesses to create jobs for our people. Californians deserve better. State leaders can do better.



**Senator Shannon Grove**  
Senate Republican Leader  
16<sup>th</sup> Senate District



**Senator Jim Nielsen**  
Vice Chair, Senate Budget and Fiscal Review Committee  
4<sup>th</sup> Senate District