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Statement from California State Director of Economic Security Project Teri Olle on California Governor Gavin Newsom’s State Budget Proposal

"Over the past decade, Californians have led the nation in addressing the rising tide of income inequality. Through the advancement of direct cash payment initiatives like the Golden State Stimulus as well as the expansion of the California Earned Income Tax Credit (CalEITC) and the Young Child Tax Credit (YCTC), California has returned over $10 billion back into the pockets of those hit hardest by the COVID-19 pandemic in the last year alone. With the development of the state’s landmark Guaranteed Basic Income Program, California has continued to break down barriers in tackling poverty across the state.

“With an estimated discretionary budget surplus of nearly $21 billion, California has the opportunity to once again redefine anti-poverty efforts for generations to come. We heartily applaud the proposals Governor Gavin Newsom announced today to remove the earnings requirement for the YCTC, have the credit grow with inflation, and establish a refundable credit for former foster youth. These actions will further expand upon existing direct cash payment programs, which have proven essential for millions of income-eligible Californians.

“The Economic Security Project has long served as an advocate for families in California, supporting initiatives designed to eliminate economic hardship through cash payment programs. While state lawmakers have broadened eligibility for the CalEITC and YCTC over the last several years, many individuals and families still face ongoing barriers in accessing these essential benefits. Arbitrary earnings requirements and difficulties in filing tax returns have locked countless Californians out of the claiming process. Fortunately, the California State Legislature has taken the critical first steps toward streamlining direct payments and access to tax credits. We applaud Governor Newsom and the California State Legislature for leveraging the state’s resources to further this cause and improve access to direct cash payment programs for those most in need.

“Nearly one in three California households do not earn enough to meet the true cost of living. Through grit and leadership, Governor Newsom is working to ensure that families can keep afloat with assistance they deserve.”

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