

OFFICE OF THE GOVERNOR

June 25, 2024

The Honorable Mike McGuire
Senate President pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
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Dear Members of the California Legislature,

I write to you with a warning from the past. It was January 2, 1939, that anxious moment in history. The world was on edge as fascism spread its hate and destruction through Europe. On that day, Governor Culbert Olson delivered an inaugural address to raise the alarm with lawmakers and the people of this great state. He spoke of California's most determined task in the face of "the destruction of democracy."

At that moment, the state's highest calling was "the preservation of our American civil liberties and democratic institutions."

This year, we face another extraordinary moment in history — for California, for the country, and for the world. We are presented with a choice between a society that embraces our values and a world darkened by division and discrimination. The economic prosperity, health, safety and freedom that we enjoy are under assault. Forces are threatening the very foundation of California's success — our pluralism, our innovative spirit, and our diversity.

There's only one state in America with a dream – the California Dream. It's a dream built on opportunity, a dream built on pushing boundaries and celebrating, not merely "tolerating," diversity. That dream propelled us to the front of the pack in the world. Our values and our way of life are the antidote to the poisonous populism of the right, and to the fear and anxiety that so many people are feeling today. People across the globe look to California and see

what's possible, and how to live and advance together and prosper together across every conceivable difference.

But the California way of life is under attack. For conservatives and delusional California bashers, their success depends on our failure. They want to impeach the very things that have made us successful, as a tactic to turn America toward a darker future. They do so in the name of "liberty" and "freedom." They want to roll back social progress, social justice, racial justice, economic justice, clean air, clean water, and basic fundamental fairness. They would cleave America from the principles of freedom and the rule of law. And in the process, throw our economy and, in many respects, society as we've known it, into chaos.

But California won't bend. We are a success story exactly because of our universality and our extraordinary diversity, and because we practice pluralism. For generations, we've stood for progress: championing women's rights and LGBTQ rights, protecting the environment, and expanding civil rights. We see this hard-earned progress not as something apart from liberty and freedom, but as their fulfillment.

Once again, our state and this Legislature are called upon to show America that an agenda of freedom over fear is not only achievable, it's inevitable. Sadly, there is another way to see the world. Those bent on putting America on a darker course have chosen chaos over stability at every turn.

For our detractors, the distorted prism of political pandering means cutting health care benefits and telling a woman she's not in charge of her own body. When it comes to reproductive rights, their lies are designed to control. Their draconian policies are driving women to flee across state lines, as fugitives from laws written by men more than a hundred years ago. Some even go so far as to force victims of assault to give birth to their rapist's babies.

As extreme politicians in other states take away women's rights, California stands as a beacon of self-determination. Together with this Legislature, we have passed some of the strongest laws in the nation protecting women's health. Thanks to Senator Nancy Skinner, Senate President pro Tempore Emeritus Toni Atkins, and Lieutenant Governor Eleni Kounalakis, we have stood firm against radical lawmakers who would criminalize women in other states. With your help, we are protecting women, MediCal providers, doctors, and healthcare facilities from the forces of darkness in this country. We will never turn our backs on women or threaten their freedom to determine what's best for their bodies.

When it comes to the southern border with Mexico, California has proven time and time again that it's willing to tackle the hardest problems. But Republicans in Congress have chosen cynicism, partisan politics, and the dangerous path of chaos instead of doing their job. Think of this: For all their talk of securing the border, they rejected the opportunity to add 1,500 new border agents, 4,300 asylum officers, and new immigration judges and personnel, and hundreds of millions of dollars to support local communities impacted directly by the border.

California is home to the busiest land ports in the Western Hemisphere, and we have addressed problems at the border with resolve and resources. The vast majority of fentanyl seized at the border comes through these points of entry. That's why we have deployed the California National Guard – to stop the flow of this deadly drug into our state and the rest of the nation, allowing U.S. border agents to do their job to secure our borders. These operations have resulted in the seizure of more than 62,000 pounds of fentanyl in 2023 — a 1,066 percent increase since 2021. In the first four months of this year alone, counter-drug operations have led to the seizure of an estimated 5.8 million pills containing fentanyl statewide.

At the same time, California has proudly provided humanitarian assistance and temporary shelter to migrant families in border communities, easing the burden on local cities. Unfortunately, California has largely had to go at this alone because Republicans in Congress, when presented with an opportunity to assist border states, have turned their backs. They've chosen inertia, politics, and pure political pandering.

When they speak of immigrants poisoning American blood, and of mass deportations and detention camps, and of "vermin" who want to destroy America, this is the language of destruction — of 1939, when Governor Olson issued his warning.

When it comes to America's homelessness problem, California's detractors have similarly offered nothing but rhetoric, moaning and casting blame. No state has done as much as California in addressing the pernicious problem of homelessness that too many politicians have ignored for too long. Let me remind you that when I became Governor in 2019, there was no state homeless strategy, no state plan. There was no significant investment, just a \$500 million check made one time to local governments. There was no accountability expected or anything demanded in return, no requirement for demonstrable results.

When I came into office, we wanted to change that paradigm. That's why I presented a State of the State exclusively on a single issue, homelessness and

mental health. This was my commitment to California: we would no longer ignore our most pressing and distressing problems.

Since then, we've cleared over 9,300 dangerous encampments, and we're helping tens of thousands of people move from tents and freeway underpasses to shelter, or housing. Our innovative Homekey program has revitalized former motels, hotels and apartments, and provided more than 15,300 units of housing. Combined with Project Roomkey, California has provided shelter for more than 71,000 people.

While the causes of homelessness are indeed complex, the solution is rather simple: housing and supportive services. That's why we focused on reforms specifically to address housing needs. I've had the privilege of signing into law 32 housing-related CEQA reforms to build more housing faster. And we created the Housing Accountability Unit to make sure cities and counties are doing their part to help build their fair share of housing. This has led to 442 actions against local governments, including lawsuits to compel them to follow the law.

The success of accountability in the housing space is why we are adding similar oversight on homelessness. We're requiring cities and counties to account for how they spend taxpayer dollars to get people off the streets and sidewalks, out of tents, and into housing. So long as there are people living outdoors, so long as people are suffering from schizophrenia and bipolar disorder, or self-medicating with drugs and alcohol, our work is not done.

Most importantly, we've created a mosaic of transformative and impactful mental health reforms. It starts with CARE Court, a nation-leading effort that provides treatment and housing for people with the most serious mental health challenges. This is critical help for exhausted and financially stressed families that have been trying to help relatives stuck in dark, unimaginable pain on their own. Thanks to Senators Susan Eggman and Tom Umberg, this program is moving out of the pilot phase and will be up and running in every county in California by the end of this year.

We also took on the difficult and politically fraught task of conservatorship reform. How many decades have we been discussing the need for conservatorship reform, saying it was necessary but impossible to achieve? In California, we achieved it. Now, for the first time, we are helping to find meaningful solutions for families with relatives suffering from mental health and substance use disorders.

Perhaps the steepest hill to climb was tackling the changes that were necessary to the Mental Health Services Act. This year, we made a dramatic shift to focus

that law on those struggling the most. The biggest effort in our lifetime to combat substance use and mental illness is underway.

This is the future that was advanced because of all of you – the future Proposition 1 has provided us. With the support of California voters, we're building 11,000 new beds and housing units for those with the most challenging mental illnesses. We're requiring counties and cities, and the state, to focus existing money on housing and treatment for the toughest cases. And critically, we are guaranteeing a portion of those homes will go to veterans living on the streets, many of them suffering from post-traumatic stress disorder.

All this, while never compromising on our nation-leading efforts to improve youth mental health with more school-based health professionals, and new mobile apps and platforms like Soluna to engage more kids, earlier, in prevention and screening.

Think about a world where we did nothing about this crisis, where we fell prey to cynicism, negativity and heated rhetoric, or rolled over and said it was simply unfixable.

The same is true of the red state approach to crime. They couldn't be more divorced from reality. Their entire crime agenda narrative is about diversion and distraction. They create fear and division – meanwhile, people are gunned down at higher rates in Republican states than in Democratic states. Eight of the ten most violent murder states in America are red states. Cities like Jacksonville and Memphis have significantly higher homicide rates than San Francisco and Los Angeles.

But that's not what you hear. Instead, it's wall-to-wall right-wing media coverage about lawless blue cities and blue states. In fact, California's violent crime rate is about half what it was at its peak in 1992. California has a lower homicide rate than 29 other states, including Florida and Texas. Property crime in San Francisco is down 32 percent. In Oakland, where the California Highway Patrol has done outstanding work this year alongside local law enforcement, there has been a remarkable 33 percent overall drop in crime.

This is because, in California, we take public safety seriously – a problem to solve, not just to flog on cable news. We didn't wake up to this yesterday. Beginning in 2019, we funded local police and prosecutors specifically to go after retail theft. We're not defunding the police, we're recruiting 1,000 CHP officers. But we're not satisfied until we get the job done. To do that, I recognize we need to clarify existing laws. While it's true that California has among the toughest felony theft

thresholds in the nation, we will do more to go after professional theft rings more forcefully. We look forward to advancing a package of reforms this year.

Our work on public safety also means we've protected victims of domestic violence with expanded restraining orders. We've cracked down on ghost guns. We've gone toe-to-toe with the gun lobby and ideological judges who advance their agenda — and we won't stop fighting because protecting Californians is our most important job. Thirty years ago, California's gun homicide rate was 50 percent above the national average. Now, it's 33 percent below the national average — because of our gun safety laws.

The red state refusal to follow our lead has had catastrophic impacts. Let's put it this way: If every state in America had California's gun death rate over the past decade, 140,000 more Americans would be alive today. That's the cost of fealty to the ideological agenda of the National Rifle Association: 140,000 brothers, sisters, sons, daughters, mothers, and fathers would be alive today.

For lawmakers in red states, bravery means ignoring the best interest of their constituents, and doing whatever the donors and lobbyists tell them to do. They embrace the Supreme Court's perversion of the 2nd Amendment that allows for machine guns and weapons of war to proliferate on the streets of America. Just last week, Republicans in the U.S. Senate refused to outlaw bump stocks — the same so-called “accessory” that a gunman in Las Vegas used to kill 60 people, wound hundreds, and dislodge over 1,000 rounds, in just 11 minutes.

That's why their states are less safe.

Catering to big business and the rich is also why red states tax their lowest earners far more than California does. They punish you when you're struggling, but give you a free pass when you're wealthy. Here's the truth Republicans never tell you: California is not a high-tax state.

You pay a higher percentage in taxes if you're poor in Texas than you do if you're wealthy in California. It's all about who you're fighting for.

In California, you don't have to be profligate to be progressive. We understand how to balance budgets while protecting working families, children, and the most vulnerable people in this state. Thanks to our partnership with Senate President pro Tempore Mike McGuire and Assembly Speaker Robert Rivas, California is approving its first-ever two-year balanced budget — a disciplined approach that keeps the state on a strong fiscal footing.

While the right wants to strip away protections for working families, we built this economy by valuing the dignity of work, cherishing family time, and honoring

labor unions. You shouldn't have to be a CEO to live a decent life – and in California, you don't have to be.

The California spirit means working hard and being rewarded with a paycheck that meets your needs. All our progress on higher wages and better benefits for working people – it's not just about the hourly pay rate. It's about building a dignified and respectful future where everyone is included in our growth. We are a state that gives a damn about fast food workers – who are predominantly women – working two and a half jobs to get by. Because of the leadership of California's Legislature, these hard workers finally got the raise and job security they deserved. And the companies themselves got a more stable workforce.

California is the tentpole of the American economy – 16 percent of all national job creation last month came right here in California. But it doesn't end at a paycheck because costs are still too high for too many people. An added stressor these days is the cost and availability of home insurance. We're tackling that with more urgency than ever – moving reforms and new laws quickly to stabilize the insurance market. But homeowners insurance is just one part of the affordability puzzle. For families, we're doing a lot more. California's policies have helped put more than \$17,000 back into the pockets of families. We have a young child tax credit, an expanded Earned Income Tax Credit for working families, five days of sick leave, and eight weeks of family leave. With the Legislature's support, we've created more than 120,000 new childcare slots.

California has also taken action to protect a student's right to learn, and a teacher's right to teach. In California, we don't just dream of a future where everyone has a chance to get ahead. We're creating a new grade to give Californians an early start: Pre-K for all by 2025. And we're building thousands of community schools with wraparound services for students and families. Students will be able to get free meals, behavioral health, and family support, as well as high-dose tutoring.

We're also finally fulfilling the vision of expanded access to before and after-school programs and summer school. Around the state, we're deploying literacy coaches to thousands of schools. Next year, all kindergartners will begin routine screenings for reading difficulties, such as dyslexia, so we intervene as early as possible. These K-12 reforms are some of the most transformative policies in our state's history, and most significant in our nation.

We built a future where everyone can access community college – for free. We are ensuring more residents than ever can gain admission to the University of California and California State University systems. All of this took commitment and lots of investment. But the payoff is so big: thousands of young Californians

are accessing the greatest public higher education system in America. This is California's secret weapon: growth, with inclusion.

Here is a simple question for Republicans: If California is a failed state, why are four of the seven most valuable companies in the world based here? Why does the Bay Area remain the top-ranked region for venture capital?

We've got more business starts in California than any other state in America and among the highest average wages in America for working people. We've added 63,000 new millionaires in California since 2019, and retained our place as the 5th-largest economy in the world. We've achieved record-breaking tourism, and our population is growing again.

All of those facts fly in the face of the California haters who want to tear us down because they know our success is a spotlight on their own failures. California doesn't look away from our toughest problems. We embrace solutions that work for most people.

Just last week, we accomplished the seemingly impossible — reforming the Private Attorneys General Act, or PAGA — a thorny issue that for decades eluded compromise. California is enacting rational reforms and important labor protections, while sensibly managing reasonable concerns from small businesses.

It's easier to only address simple problems. But that's not the California Way. I'll give you another example of California embracing big complex issues without flinching. We're in the middle of the largest dam removal project in U.S. history — restoring 400 miles of historic river, and in doing so, restoring a historic way of life that sustained this state for thousands of years. We've fast-tracked the construction of the first new large-scale, above-ground water storage project — Sites — in 50 years. We're moving forward with the largest climate resilience project in the nation, the Delta conveyance, protecting our water supplies while building resilience for the state's most important ecosystem.

We know that protecting the environment improves our economy. Look no further for proof of California's economic dominance than the revolution happening right now with clean cars. We are home to 60 zero-emission vehicle companies. The global EV market would not exist without California's leadership. Our regulatory environment has been an accelerator for investment, creating certainty and unprecedented opportunities. We're creating jobs and whole new industries as we fight climate change—that's California innovation in action.

We're moving forward in the face of oil-funded politicians all around us who are lying to us. They're trying to say a clean economy is a bad economy. But we're not asserting, we're proving. We have six times more clean energy jobs than fossil fuel jobs in California. We're holding Big Oil accountable for their lies and for their price gouging. We're suing them for defiling our planet, but also defending ourselves from their profit-driven greed, drilling their oil rigs next to houses and daycare centers. And we are regularly operating the world's 5th-largest economy with carbon-free energy — during 90 days since March alone — proving that a clean future isn't only desirable; it's achievable.

Even under these attacks, we're writing our own history as the epicenter of global innovation. One potent example: California is transforming an empty former mall in Los Angeles into a research and innovation hub in a public-private partnership with Google and UCLA. At this site, scientists and engineers are helping solve the world's greatest challenges, from the frontiers of quantum computing to cutting-edge immunology research.

We're also the home of Nvidia, founded in Sunnyvale, California in 1993 and now one of the world's most valuable companies. As they grow, they're nurturing a startup ecosystem that may prove to be the most fertile in economic history. It's no mistake that California is the birthplace of what's called the Fourth Industrial Revolution — artificial intelligence. In fact, 35 of the world's most exciting and largest market-cap AI companies are right here in California.

Across the spectrum, California simply has no peers. Name an industry, and California dominates. Vast, productive farms and ranches that feed the world. In agriculture, tourism, health care, and the life sciences — and art, music, and motion pictures — the best minds in the world call California home because they're liberated from the constraints of conformity and tradition. This is true freedom — to invent and make the world a better place. California has figured out a way to make it work time and time again, decade after decade.

In times like these — with deep divisions at home and across the world — it's easy to despair. Yet I'm hopeful. Another example of the remarkable people who live in this state: thousands of Californians are now participating in community service programs that connect people through shared experiences as they work toward a common purpose. California's College Corps program allows students to work 450 hours of community service and earn up to \$10,000, gaining valuable job experience, college credit, and most importantly a sense of pride, purpose, and meaning. Over the past five years, we've also built the California Service Corps into the largest volunteer organization in the country,

larger than the U.S. Peace Corps — 10,000 members strong with nearly 5 million hours of service.

Every year, the people of California stun the world with something new that our detractors could never have dreamed of. The only surprise is that they keep being surprised.

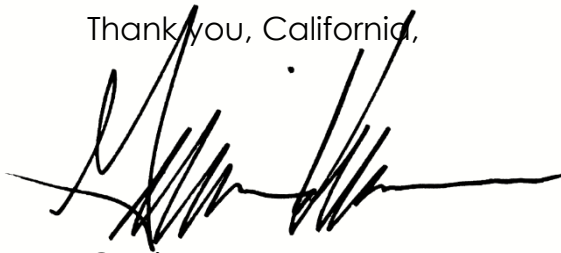
In a state with a bigger balance sheet than many nations, it's easy to get lost in facts and figures. It's easy to forget what values we truly represent, and what we represent to the United States and the world. We are building a future where everyone feels protected, connected, and respected. We are building a state that transforms the world over and over again.

We are the state that launched a farmworker revolution, a free speech revolution, a love revolution, a computing revolution, a biotech revolution, a climate revolution, and a quantum revolution. That's us: Weird, wild, free-spirited California. A place that can elect Ronald Reagan and Jerry Brown — back to back. A place for Ayn Rand and Jane Fonda. For Metallica and Kendrick Lamar. A place that can invent the Internet — and the popsicle, blue jeans, and Barbie.

California is where the most creative people in the world want to be — whether they're born in Salinas, Tuscaloosa, or Bangalore. A place where a world-class education leads to a world-class job, where that world-class job leads to a brighter future, where standing out makes you outstanding.

This is the future California is creating now. We are solving our most pressing problems with enthusiasm, resolve, and a California spirit that allows us to accomplish anything. Anyone who really knows California knows that the state of our state is strong and resilient — a beacon to the world.

Thank you, California,

A handwritten signature in black ink, appearing to read 'Gavin Newsom', with a long horizontal flourish extending to the right.

Gavin Newsom
Governor of California