



# GOVERNOR'S BUDGET 2023-24

## Fact Sheet

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**The Governor's Budget keeps promises to Californians and invests in our values:**

- **Transforming public education and higher ed**
- **Addressing the homelessness crisis**
- **Expanding housing affordability**
- **Increasing health care access**
- **Fighting climate change**
- **Keeping Californians safe**
- **Investing in economic development**

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Governor Newsom and the Legislature have made unprecedented investments in the people of this state, addressing our most pressing challenges and building a more prosperous future.

The Governor's budget proposal reflects our values and priorities. It will provide free school meals to every student, create a new grade, expand before- and after-school programs, forge pathways to debt-free college, protect Californians from climate change, expand health care and reproductive rights, cut costs for prescription drugs, build more housing, get people off the streets, and keep Californians safe.

While today's economic outlook is dramatically different from the previous two years, it is not unexpected – California has planned for this. That's why Governor Newsom and lawmakers have dedicated tens of billions of dollars over the last several budgets to reserves and resiliency: 1) Building healthy reserves; 2) Eliminating budgetary debt; 3) Reducing retirement liabilities; and 4) Focusing on one-time spending over ongoing investments. Because of our prudent planning, the state is in the best position in recent memory to withstand the economic slowdown and declining revenues while safeguarding critical programs.

### **TRANSFORMING EDUCATION**

**HIGHEST STATE PER-PUPIL FUNDING EVER & TRANSFORMING EDUCATION.** California is taking unprecedented steps to support the whole child from birth to higher education, investing \$23,723 per student – the highest state per-pupil spending in our history – and directing tens of billions specifically to address learning loss, expand programs like those before and after school, get more teachers and guidance counselors in the classroom, and more.



### **A BRAND NEW GRADE: IMPLEMENTING UNIVERSAL TRANSITIONAL KINDERGARTEN.**

California will add a new grade underneath kindergarten, serving 450,000 children per year. The Governor's budget includes \$690 million to further implement the expansion and serve an additional 46,000 children, and another \$165 million for more school staff in these classrooms.

**FREE MEALS FOR EVERY STUDENT.** California is investing \$1.3 billion for all students, regardless of income, to access two free school meals per day – up to 12 million meals per day statewide.

**AFFORDABLE CHILD CARE FOR MORE PARENTS.** Invest over \$2 billion annually to expand subsidized child care slot availability, providing thousands more slots that are more affordable for parents.

**BETTER, MORE AFFORDABLE HIGHER EDUCATION.** Continue historic reinvestment into public universities through the higher education compacts that Governor Newsom brokered with the UC, CSU, and Community College systems – increasing seats, closing equity gaps, creating debt-free pathways, and improving job pipelines.

**MOVING TOWARD DEBT-FREE COLLEGE.** Following through on the promise of providing more affordable pathways to the state's premier higher education institutions, the Governor's budget continues advancing programs like College Corps, Cal Grant, Middle Class Scholarships, and college savings accounts to cut costs of higher education.

## **TACKLING HOMELESSNESS & HOUSING SUPPLY**

**CALIFORNIA HAS NEVER INVESTED MORE TO FIGHT HOMELESSNESS.** In only two years, Governor Newsom has invested \$15.3 billion to address homelessness – up from \$500 million when he took office and more than ever before in state history. The Governor's budget maintains billions of dollars for aid to local governments, Homekey, encampment resolution grants, Project Roomkey, and more. With this funding comes new accountability – no more investing in the status quo.

**INCREASING THE HOUSING SUPPLY.** In the last four years, California invested more to increase housing supply than ever before in state history. The Newsom Administration is also holding local governments accountable like never before – enforcing state housing law and ensuring that every community plans for its fair share of housing. The state continues to deploy a comprehensive set of strategies – improving state financing programs, targeting housing investments, providing technical assistance to rural, tribal, and urban areas, eliminating burdensome regulations, and leveraging land use tools. The state adopted a legally binding goal that local governments must plan to build approximately 2.5 million new units by 2030, and 1 million of these units must be affordable.



## INCREASING HEALTH CARE ACCESS

**IMPLEMENTING NATION-LEADING HEALTH CARE ACTIONS.** Following Governor Newsom's actions to expand health care access and reduce costs, the Governor's budget invests billions to continue implementing these measures – programs like CalAIM to transform Medi-Cal, follow through on the promise to extend health care to low-income Californians regardless of immigration status, make prescriptions more affordable through CalRX, and more.

**MORE FAMILY PLANNING & PROTECTING THE RIGHT TO ABORTION.** In addition to maintaining Governor Newsom's \$200 million investment in reproductive health care, the Governor's budget proposes an additional \$200 million for family planning services.

**EXPANDING ACCESS TO MENTAL HEALTH.** Sustaining \$8 billion to continue expanding mental and behavioral health services, especially for children and youth. The Governor's budget further implements the state's transformation of how and when people get care, including the Master Plan for Kids' Mental Health and billions for behavioral health housing and infrastructure.

**BETTER CARE FOR THE DEVELOPMENTALLY DISABLED.** The Governor's budget sustains an annual \$1.2 billion to fully implement service provider rate reform with a focus on improving outcomes and quality of services.

**CARE COURT.** Investing \$215 million to implement the CARE Act, the Governor's nation-leading approach to get those dealing with untreated and severe mental health or substance use disorders – who too often suffer in homelessness or incarceration – the help they need.

## FIGHTING CLIMATE CHANGE

**CALIFORNIA'S CLIMATE COMMITMENT.** California is advancing a \$48 billion multi-year commitment to implement its world-leading agenda to achieve carbon neutrality, protect communities from harmful oil drilling, deliver 90% clean energy by 2035, and more.

**ACCELERATING THE TRANSITION TO CLEAN ENERGY & CUTTING POLLUTION.** The Governor's budget invests tens of billions of dollars to get more Californians into zero-emission vehicles, advance clean energy, dramatically cut pollution, and more.

**PROTECTING CALIFORNIANS FROM EXTREME WEATHER.** California continues to face extreme weather conditions amid a changing climate, and the Governor's budget prioritizes keeping people safe from wildfires, drought, extreme heat, and flooding.



## KEEPING CALIFORNIANS SAFE

**CRACKING DOWN ON FENTANYL, ORGANIZED RETAIL THEFT & OTHER CRIMES.** The Governor's budget sustains **\$564.4 million** to bolster law enforcement efforts to address retail theft and other crimes. These investments help local law enforcement agencies:

- Implement and expand anti-theft, anti-crime, and retail theft task forces
- Provide body cameras for CHP officers
- Combat fentanyl and expand drug interdiction
- Improve emergency response times and prosecution efforts
- Combat human trafficking and child sexual exploitation
- Get guns off the street

## ECONOMIC DEVELOPMENT

**RURAL & INDUSTRIAL ECONOMIC AGENDA.** Maintaining funds for rural communities and industrial industries to continue expanding economic opportunities, the Governor's budget will continue getting hundreds of millions of dollars to communities for economic development, local government projects, grants for businesses and workforce development, and more.

**ADVANCING WORKFORCE DEVELOPMENT PROGRAMS.** The Governor's budget invests \$1.65 billion to create new apprenticeships, bolster training opportunities for jobs that are leading the clean energy transition, workforce development efforts for the justice-involved population, and create new opportunities for a diverse health and human services workforce.

## STRONG FISCAL FOUNDATION

**CALIFORNIA HAS BEEN PLANNING FOR THIS.** Amidst global inflation, a tight labor market, and high interest rates, the Governor's budget bolsters budgetary resiliency while sustaining key investments:

- **BUILDING UP & MAINTAINING RESERVES:** Part of the state's planning has focused on building up reserves. To maintain the ability to respond to any negative economic downturns, the Governor's budget doesn't draw from the state's \$35.6 billion in total budgetary reserves to close the budget gap.
- **ONE-TIME SPENDING:** Previous budgets focused primarily on one-time and near-term spending, instead of implementing costly long-term obligations.
- **PAYING DOWN DEBTS:** Through strong fiscal planning and surpluses, previous budgets focused on debt obligations – eliminating budgetary debts and paying down other debts and long-term liabilities.