



1970 Broadway, Suite 760
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www.cfpa.net

July 29, 2020

Honorable Mike McGuire
Chair, Senate Finance and Governance Committee
California State Senate
Sacramento, CA 95814

Re: Support for AB 1253 (Santiago)

Dear Senator McGuire,

On behalf of California Food Policy Advocates (CFPA), I write in support of AB 1253 (Santiago). CFPA is a statewide policy and advocacy organization dedicated to improving the health and well-being of low-income Californians by increasing their access to nutritious, affordable food. For over 25 years, we have worked to improve access to the federal nutrition programs. AB 1253 is a progressive proposal that will bring urgently-needed revenue to the state and help support the social safety net that is under threat due to the COVID-19 public health emergency and resulting economic downturn.

California is facing a three-fold crisis. First, COVID-19 has infected nearly half a million Californians and has killed more than 8,000 of our residents, disproportionately brown and black. Second, the Governor's necessary shelter in place order and the President's irresponsible rhetoric to reopen the economy too soon has resulted in millions of Californians losing their jobs and millions more losing income. As a result, the state is on pace to lose \$50 billion in revenue. Finally, the state and the nation are in the midst of ongoing protests due to decades of systematic racism. Our country's legal and income inequality has been laid bare and demands immediate, sweeping reform.

For these reasons we strongly support AB 1253 (Santiago et al) to increase income taxes on the ultra-wealthy. AB 1253 will increase taxes by 2% on taxable income over \$1 million impacting less than .5 percent of taxpayers. This would increase the current millionaire tax from 13.3% to 15.3%. Based on current tax revenue data, an estimated \$6 billion per year would be raised. In a time of crisis, we need those with the most to contribute more so that those with the least are not subject to material hardships. California has more billionaires than any other state



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because middle and low income Californians have built an economy that allows the wealthy to enjoy fabulous prosperity. In times like these it is only right that we ask them to give more.

CFPA is calling on state leaders to enact AB 1253 by August 31st as a first step towards addressing the state's current and future needs. We, along with our allies in the Commit To Equity coalition, are calling on the Legislature to pass not just AB 1253 but to also pass a wealth tax and a tax on unrealized capital gains during this session. Commit To Equity believes that budget cuts and borrowing from existing revenue will simply extend the economic downturn and lead to those with the least bearing the brunt of the current crisis's our state is facing. We cannot repeat the mistakes of the Great Recession when budget cuts and borrowing led to years of tepid economic growth.

Inaction by the Legislature will only serve to protect the wealthy whose income continues to grow while so many are suffering. Inaction now will freeze in place all the challenges we have and leave us with less tools to respond with before 2021. Inaction now means that real people will suffer:

- One million families will face evictions and homelessness
- Thousands of schools will remain closed, underfunded and unprepared for the pandemic
- Climate change efforts will be underfunded and our environmental challenges will continue to worsen
- Tens of thousands of businesses and child care will remain closed
- The long term cost of treating COVID induced health conditions will mount.

Solving these, and many other issues, will require billions in new revenue. AB 1253 is a crucial first step. Our state's families are relying on the Governor and the Legislature to provide leadership in a time of crisis. We cannot afford to wait, we cannot hope things get better, we cannot ask working families to assume all the risk while asking nothing of those with the highest incomes, and we cannot afford to delay justice any longer. The public wants to see our state lead as we have done so many times in recent years. It is up to all of us to show that once again we have the courage of our convictions to do what is needed, when it is needed. Now is the time.



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We are at a crossroads. We can continue business as usual which has led us to this point and hope that it magically fixes itself. Or we can make a fundamental course change and begin to address the serious problems confronting our society. CFPA and our allies believe now is the time to make what the Governor has described as a “foundational” change to address the COVID crisis, maintain and expand state funding for critical services by asking the wealthy to pay more taxes and to address systematic racism and inequality.

We urge the committee to vote “Aye” on AB 1253.

Sincerely,

A handwritten signature in black ink that reads "Jared Call". The signature is written in a cursive, flowing style.

Jared Call, California Food Policy Advocates