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NEW CALIFORNIA BUDGET REPORT: “Commitment at Risk – Budgeting for Climate Action in Challenging Times”

NextGen Policy Identifies \$9.8 Billion Risk to Climate Investments Under Governor Newsom’s Budget Proposal

SACRAMENTO – Today, NextGen Policy published a new report identifying nearly \$10 billion in state climate investments put at risk under Governor Newsom’s proposed budget. The Governor’s budget seeks to address the state’s \$38 billion budget deficit in part by making changes to his historic \$54 billion Climate Commitment. Most notably, the proposal would cut \$2.9 billion and delay or displace an additional \$6.9 billion in climate funding.

These delays and fund shifts place that \$6.9 at serious risk of never materializing. In particular, \$600 million in funds delayed until at least 2027 are most vulnerable. On top of these cuts, shifts, and delays, an additional \$550 million in cuts to sustainable housing programs (which were not considered part of the original climate package) would further undercut the state’s climate efforts.

The Governor’s plan would, laudably, seek to preserve nearly 90% of the funding proposed in 2022. But this figure presumes that funding delays will not become cuts in future budget years. That outcome is anything but assured, particularly for some of the longer delays in the proposal.

Moreover, by shifting nearly \$2 billion in climate investments out of the General Fund and into the Cap and Trade fund, the proposal forecloses the possibility of taking a “both and” approach that puts Cap and Trade dollars to other uses while maintaining commitments agreed to last year for General Fund Dollars. In effect, these shifts are pre-emptive cuts.

In addition to the overall dollar amounts proposed, it is also important to consider which programs are most affected, and how cuts and delays to these programs may impact Californians most harmed by the climate crisis. Our report identifies cuts to climate equity programs, clean transportation, disaster resilience, and climate leadership, as well as potential funding solutions for many of the proposed changes.

This report is the latest in a series of publications by [NextGen’s Climate 100](#) project, which seeks to better align all parts of California’s budget with the state’s greenhouse gas reduction targets.



Statement from NGP Senior Policy Advisor, David Weiskopf:

“We are encouraged to see that Governor Newsom’s administration is seeking to maintain more than 89% of the original \$54 billion, but his budget proposal shows how the state’s current approach to climate budgeting is becoming increasingly unsustainable. All parts of the state budget, every year, should be aligned with California’s climate pollution reduction goals and the realities of intensifying climate impacts. The more we delay adopting a climate-aligned approach to budgeting, the more we will see budgets that are forced to react to climate-related disasters at the expense of proactive planning, preparation, and harm reduction.

As the costs of disasters rapidly increase, the pace of investment in solutions and readiness is slowing, and vital programs are facing delays and uncertainty at a time when we must do more, faster.

We therefore once again urge the Governor and all Legislators to protect existing climate funding to the maximum extent feasible and to pursue an approach to budgeting that treats the climate crisis as a reality that California must grapple with, not a luxury that can be cut out when money is tight.”

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The mission of NextGen Policy and NextGen California is to fight for progressive policy change to address environmental, social, racial, gender, and economic inequities in California through justice-centered legislative advocacy, grassroots partnerships, and democratic civic engagement.