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June 2, 2022

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CalEITC Coalition Praises Legislative Leaders for Budget Agreement to Invest in Targeted Economic Relief

Advocates and experts strongly urge Governor Newsom to adopt a final budget deal with key investments for struggling Californians.

(Sacramento, CA) - The CalEITC Coalition applauds Leaders in the California Legislature for putting the state's wealth to work in its newly released 2-House budget agreement. The agreement supports critical programs to help California families make ends meet, including increasing the California Earned Income Tax Credit (CalEITC) minimum amount and increasing CalWORKs grants to lift children out of deep poverty.

We are thrilled that this agreement includes several of the CalEITC Coalition's priorities for supporting low-income Californians, including:

- Creating a \$255 minimum CalEITC for all workers, which will provide a larger credit for an estimated 3 million taxpayers without children in the home, as well as an additional 400,000 families with children – who all currently receive less, while simultaneously reducing confusion and easing administration;
- Expanding the Young Child Tax Credit to align with the federal Child Tax Credit income threshold of \$0;
- Creating a Foster Youth Tax Credit to provide a \$1,000 credit to young adults who were in the foster care system;
- Increasing to \$20 million the state's investment in free tax preparation and outreach, so that low-income filers do not have to pay hundreds of dollars to claim tax credits; and
- Ensuring that tax credits intended to reduce poverty are not intercepted by government agencies.

The CalEITC Coalition raised alarms about 1.7 million children who could fall back into deep poverty after the expiration of the federal Child Tax Credit. The Legislature's budget plan addresses these concerns with two major proposals to uplift families with the greatest needs:

- Providing \$200 per person to low- and middle-income households through an \$8 billion Better for Families (BFF) tax rebate proposal; and

- Increasing CalWORKS grants to accurately reflect the economic needs of all households and abolish deep child poverty.

We strongly support these efforts to help low and middle income families deal with increased costs of basic needs like food and gas. These proposals will provide much-needed financial relief, protect children from deep poverty, and make sure our state's abundant resources are distributed more equitably.

We urge Governor Newsom to adopt these proposals in the final budget agreement.

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The [CalEITC Coalition](#) was formed in 2015 and is composed of over 60 policy advocates, immigrant rights, low-income service providers, labor representatives, and community-based and faith-based organizations. The CalEITC Coalition is dedicated to achieving long-term transformative change by pushing for policies that reduce poverty and serve our most vulnerable communities.