

# California Legislature



The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

December 14, 2023

Dear Governor Newsom:

In light of the Legislative Analyst's forecast of a \$68 billion deficit for 2024-25 and the dismal reduction in revenue facing the state, we urge you to call for a Special Session to address the state's finances. Waiting will only result in further financial pain for residents.

The Administration's initial step to freeze spending is not enough. The budget hole is simply too massive. The Legislature must come back to take action to implement the cuts. The Legislative Analyst's Office reports revenues to be \$26 billion below 2022-23 revenue estimates, and anticipates collections to be \$58 billion below Budget Act projections across 2022-23 to 2024-25.

This situation is complicated by the fact that nearly half of the estimated deficit applies to a fiscal year that has already ended, which means that the lion's share of available budget solutions will be confined to, and have an outsized impact, on the current and budget years.

Urgent action now is necessary to roll back one-time and limited-term spending programs in the current year. Californians cannot risk more financial uncertainty, so immediate action now will help maximize the effect of current year solutions, and hopefully avoid the need for more difficult solutions later.

The time to act is now. We ask that you call for a Special Session to address the state's dire fiscal situation immediately. Delaying will make matters worse – and harm the most vulnerable residents – over the next six months.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Gallagher".

James Gallagher  
Assembly Republican Leader  
Assembly District 3

A handwritten signature in blue ink, appearing to read "Vince Fong".

Vince Fong  
Vice Chair, Assembly Budget Committee  
Assembly District 32