April 28, 2022

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

Honorable Toni Atkins
President pro Tempore, California State Senate
1021 O Street, Room 8518
Sacramento, CA 95814

Honorable Anthony Rendon
Speaker, California State Assembly
1021 O Street, Room 8330
Sacramento, CA 95814

RE: Gas Price Relief Proposal

Dear Governor Newsom, Pro Tempore Atkins, and Speaker Rendon,

The purpose of this letter is to provide some ideas for your consideration as negotiations progress regarding the various tax rebate proposals to alleviate the effects of high gasoline prices. As you may know, NextGen California is a non-profit organization that works on a diverse range of social, economic, and racial equity policy and program issues. There are a number of aspects of the various proposals that intrigue us, but we write here regarding a narrow set of administrative questions that we believe can be very consequential for the effectiveness of the rebates.

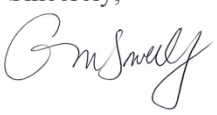
We were very heartened to learn that the tax rebate payments would most likely be issued on debit cards rather than through paper checks. We support this approach and would encourage you to ensure that the debit cards are reloadable, and to negotiate with providers to ensure that they carry no fees or very minimal fees for reloading.

Additionally, we know there is debate surrounding who should receive and how to administer the tax rebate. We suggest that you consider tasking the Office of Digital Innovation with developing as comprehensive a list of eligible Californians as possible to receive this rebate. Although vehicle registration records may provide a more complete picture of state residents than tax records, vehicle records, like tax records, also tend to exclude the poorest California residents – those who do not own a vehicle or may have an unregistered vehicle. For this reason we encourage you to adopt an approach that does not rely solely on tax records or vehicle registrations.

Given California's economic status and unique place as the epicenter in the world of information technology, we also encourage you to work with private partners who can help stretch the value of these tax rebates. Just as many banks and businesses provide cash back, discounts, or other loyalty programs that are processed through debit or credit cards, the State should negotiate with select providers to create additional value on these cards. In particular, we encourage you to work with partners to create an approach that allows Californians who use the cards to purchase rides in zero-emission car share vehicles, on public transit, on bike- or scooter-share, and other modes of clean transportation to receive additional credits or discounts. We believe that encouraging the use of transportation modes that do not rely on purchasing gasoline provides the best possible relief from high gasoline prices and is highly consistent with the stated purpose of the program.

Staff working on the California Integrated Travel Program and in the Office of Digital Innovation hold considerable expertise in implementing each of the suggestions we have put forward. Moreover, pilot programs testing these concepts throughout the state have been highly successful. We encourage you to draw on these in-house resources to advance a tax rebate framework that will be best designed to help the many vulnerable Californians, who are underbanked or unbanked, gain access to much-needed financial relief and clean transportation options.

Sincerely,



Arnold Sowell Jr.
Executive Director, NextGen California