



April 8, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol Building, First Floor
Sacramento, CA 95814

The Honorable Susan Talamantes Eggman
California State Senator
State Capitol Building, Room 4052
Sacramento, CA 95814

The Honorable Toni Atkins
Senate President pro Tempore
State Capitol Building, Room 205
Sacramento, CA 95814

The Honorable Dr. Joaquin Arambula
Chair, Senate Budget Subcommittee #1
California State Assembly, Room 5155
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly
State Capitol Building, Room 219
Sacramento, CA 95814

The Honorable Mike Gipson,
California State Assemblymember
California State Assembly, Room 3173
Sacramento, CA 95814

RE: SUPPORT AB 1038 and \$180M Request to Establish a California Health Equity Fund

Alcohol Justice strongly supports AB 1038 (Gipson) and a one-time General Fund allocation of \$180 million over three years to create a California Health Equity Fund to address the devastating health and social inequities exacerbated by COVID-19.

Alcohol Justice, the industry watchdog, promotes evidence-based public health policies and organizes campaigns with diverse communities and youth against alcohol and other drug industries' harmful practices.

We ask that you support the following:

1. **Assembly Bill 1038** (Gipson) that establishes the California Health Equity Fund.
2. An accompanying **budget request** to launch a California Health Equity Fund to support nonprofit organizations, clinics, tribal organizations, and local health departments that serve disproportionately impacted communities to take action in 1) housing security, 2) food security & healthy food systems, 3) economic stability, 4) schools and childcare, 5) community violence & hate crimes, and 6) health promoting built environments & environmental justice.

The need for this fund is **urgent**. Today's suffering will further increase the risk of preventable hardship, illness and premature death for years to come unless we stop the cycle.



The California Health Equity Fund solution:

- Nonprofit organizations, clinics, tribal organizations and local health departments will be eligible to receive funds.
- Allowable uses will advance policy, systems, and environmental changes that address inequities in any of the following areas: housing security, food security & healthy food systems, economic stability, education and childcare, community violence and hate crimes, health promoting built environments and environmental justice.
- Funding in these areas will also support reducing risks of childhood adverse experiences (ACEs) which have been exacerbated by COVID-19, including economic stresses for families, prolonged school closures, and limited access to supportive resources.
- Eligible areas will be those hardest-hit by COVID-19 and with elevated social and environmental risks for health inequities.
- Local grantees will use local needs assessments and indices of health inequities and social determinants of health to select issues from allowable uses that are most deeply affecting their communities and implement strategies tailored to local conditions.
- The Fund will invest \$10/capita/year, which represents less than 1/1000th of what California spends on health care.

Investing in a California Health Equity Fund will do more than help mitigate the human costs of COVID-19, it makes financial sense. Preventing Californians from needing health care and social services in the first place can also help contain healthcare costs for California families and for the State. The Legislative Analyst's Office November 2020 Medi-Cal Fiscal Outlook brief projects that Medi-Cal spending will increase by approximately \$3.2 billion (10 percent) in 2021-22 due to COVID-19. Further, according to a 2020 California Health Care Foundation report, half of Californians said they had skipped or postponed health care in the past year because of rising costs and 42% felt the consequences in worse health outcomes.

If we change nothing about how we fund health equity, nothing will change. Dedicated funding for nonprofit organizations, clinics, tribal organizations, and local health departments to address the devastating impacts of COVID-19 is essential to dismantle the legacy of structural racism that has compounded deep health inequities in California. We thank you for your support of AB 1038 and the accompanying \$180 million budget request for the CA Health Equity Fund.

Kind regards,

Bruce Lee Livingston
Executive Director / CEO

Alcohol Justice

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