

ORGANIZED LABOR, ENVIRONMENTAL JUSTICE, PUBLIC HEALTH, AND LOCAL CHAMBERS OF COMMERCE SUPPORT REVENUE ENHANCEMENTS AND LOCAL BENEFITS FOR IMPERIAL VALLEY COMMUNITIES

June 16, 2022

The Honorable Toni Atkins The Honorable Anthony Rendon Senate President pro Tempore Speaker of the Assembly 1021 O Street, Suite 8518 1021 O Street, Suite 8330 Sacramento, CA 95814 Sacramento, CA 95814 The Honorable Nancy Skinner The Honorable Philip Ting Chair, Senate Committee on Budget and Chair, Assembly Committee on Budget Fiscal Review 1021 O Street, Suite 8230 1021 O Street, Suite 8630 Sacramento, CA 95814 Sacramento, CA 95814 The Honorable Eduardo Garcia The Honorable Ben Hueso 1021 O Street, Suite 8120 1021 O Street, Suite 7340 Sacramento, CA 95814 Sacramento, CA 95814

RE: SUPPORT - Lithium Extraction Excise Tax per Metric Ton Based on a Flat Rate & Lithium Valley Development Budget Proposals

Dear President Pro Tempore Atkins, Speaker Rendon, Budget Chairs Skinner and Ting, Assemblymember E.Garcia, and Senator Hueso:

On behalf of the undersigned organized labor, environmental justice, organized labor, public health, and local Chambers of Commerce serving and partnering with disadvantaged communities of the Imperial Valley, we collectively submit this letter to support the following May Revision proposals of the Governor's Budget regarding Lithium Valley Development:

- The Proposed Trailer Bill Language which would establish and levy a Lithium Extraction Excise Tax on California's emerging lithium producers based on a flat rate per metric ton.
- \$80 million to expand the San Diego State University, Brawley Center in Imperial Valley to support a local workforce pipeline.
- \$5 million to the County of Imperial and \$800,000 to support community engagement in the county's environmental impact report related to geothermal and lithium recovery in the Salton Sea region.
- Assemblymember Eduardo Garcia's budget request for \$5 million to fund the First 40 Campaign, a community-led initiative aimed at installing 40 publicly accessible EV charging stations in Imperial County which currently accounts for the lowest number of EV chargers per capita in the entire State.

In particular, the flat rate Lithium Extraction Excise Tax will provide for Salton Sea restoration and support much-needed local infrastructure, public services and community benefit projects.

Eighty percent (80%) of the tax revenue, as proposed, will provide appropriate government level services to our residents in the form of enhanced public safety, road and bridge improvements, expanded judicial buildings, social services, and quality of life amenities including new recreational and cultural/arts facilities. The remaining twenty percent (20%) will be directed at improving and restoring our deteriorating Salton Sea helping mitigate the public health risks associated with its decline.

The Imperial Valley includes some of the most economically disadvantaged communities in California. *The Covid-19 pandemic has had a particularly difficult impact on the Imperial Valley, with the unemployment rate climbing to 27.8%, compared to the California unemployment rate of 15.9% and national unemployment rate of 13.0% during the height of the pandemic.* The economic recovery in the Imperial Valley has been extremely slow and the local economy continues to struggle on an individual and community wide basis with unemployment and decreased local revenue. On a broader scale, the municipalities and State-sanctioned funds for Imperial Valley are struggling to cover the costs of the Salton Sea Management Plan to address air quality issues in the region. The Salton Sea Management Plan lacks appropriate funding and progress for a long-term air quality solution. Thus, community engagement and stable local revenue streams are vital to protect the disadvantaged populations of Imperial Valley and ensure they do not bear the burdens of climate change. The air quality issues associated with the Salton Sea need urgent attention and a steady funding stream to ensure they are addressed.

These investments, as proposed, will spur the development of Lithium Valley's new green economy and help the State transition from its dependency on fossil fuels. Further, stable revenue will also facilitate the creation of much-needed high road jobs in our region which has a history of some of the highest unemployment rates in the country. It is for these reasons that we support the aforementioned Lithium Valley Development allocations and the flat rate tax per metric ton as proposed.

Sincerely,

Luis Olmedo, Executive Director Comite Civico del Valle Imperial Valley, California

Isabel Solis, *President* Los Amigos de la Comunidad Inc. Imperial Valley, California

Eduardo Guevara Promotores Comunitarios Del Desierto Coachella Valley, California

Dr. Conrado Barzaga, *Executive Director* Desert Healthcare District Coachella Valley, California **John Hernandez**, *Executive Director* Our Roots Multi-Cultural Center Imperial Valley, California

David M. Villarino, *President/CEO* Farmworker Institute of Education & Leadership Development (FIELD)

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Guadalupe Rosales La Union Hace La Fuerza Coachella Valley, California Anna Lisa Vargas Communities For A New California (CNC) Coachella Valley, California

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Matthew Vasilakis Climate Action Campaign

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