

# Californians Shouldn't Have to Pay More Until Government *Does Better*



**Matt Mahan's Plan to Spend  
Better, Not More, and Enforce  
Accountability by Linking Future  
Raises for Politicians to Results for  
Working Californians**



California's state budget has grown by nearly \$150 billion over the last six years, a 75% increase. But the state is *not* 75% better. In fact, on many key metrics, California is falling behind—and our most vulnerable residents are paying the price.

- ▶ Despite spending \$37 billion on housing and homelessness over the past six years, California still has nearly half of the nation's unsheltered homeless population. We have the highest housing costs in the nation, driving both families and businesses out of California.
- ▶ Our energy costs are the second highest in the nation. Only people in Hawaii pay more. Our well-meaning, but not always well-performing energy policies, mean Californians are paying the highest gas prices in the nation at nearly \$2 more a gallon than the national average.
- ▶ Because of these sky-high energy and housing costs, we are driving businesses out of California. The loss of high-wage jobs, and the high cost of living, mean we have the highest unemployment rate in the U.S. and the highest effective poverty rate.
- ▶ And our schools, despite a dramatic increase in funding, are falling behind states like Mississippi, which have embraced accountability and proven learning methods, and are getting better outcomes despite spending much less than California.

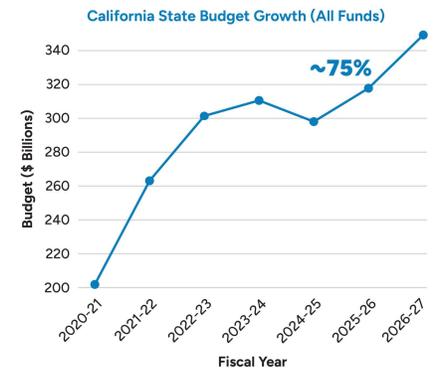
## **SOMETHING IS BROKEN.**

Matt Mahan has a bold plan to fix it—starting with radical accountability, transparency, and zero tolerance for waste, fraud, or failure. That's exactly what he did in San Jose: embraced transparency, focus, and accountability to make San Jose the safest big city in the nation, reduce unsheltered homelessness faster than other cities, and cut through red tape and reduce excessive impact fees.

He will take this same no-excuses, back-to-basics approach to state government to demand better results.

### **California State Spending Has Surged**

**FACT:** California's annual state budget grew from \$202.1 billion to a proposed \$348.9 billion in just six years. Now up \$146.8 billion since just FY2020-21, the budget has increased nearly 75% in the past six years.



Source: California Governor's Office, Governor Newsom Signs 2020 Budget Act, 2020; California Governor's Office, Governor Newsom announces proposed budget that refills the state's "Rainy Day Fund," protects previous accomplishments, and makes historic investments in education, 2026

### **8 Major Agencies Flagged as High-Risk to the State**

**FACT:** The California State Auditor currently designates eight state agencies as being "high-risk" to the state. These agencies deliver vital services to millions of Californians and manage billions in taxpayer dollars. They need to be run correctly.

- 🏠 Department of Housing & Community Development
- 📁 Employment Development Department
- ❤️ Department of Health Care Services
- 👤 Department of Social Services
- 💻 Department of Technology
- 🏛️ Department of Corrections & Rehabilitation
- 🚗 Department of Motor Vehicles
- 🌲 Wildfire Prevention Program

Source: California State Auditor, State High-Risk Audit Program: The California State Auditor's Updated Assessment of Issues and Agencies That Pose a High-Risk to the State, 2025

HERE IS HIS PLAN >>

# Don't Ask Californians to Pay More Until Sacramento *Does Better*

## 1. CALIFORNIA DOESN'T HAVE A REVENUE PROBLEM. WE HAVE AN ACCOUNTABILITY PROBLEM.

We're one of the highest-taxed states in the nation, and state spending has far outpaced inflation—even as our population has stagnated. What matters isn't how much we spend, but how well we spend it.

Too many politicians think the answer is always more. At a recent debate, one of Matt's opponents said his top three priorities were "revenue, revenue, and revenue." He's certainly not the only one who thinks that way.

But Matt knows the real issue is that we're not getting the results Californians deserve from the money we're already spending. That's why he's making a simple commitment: cut waste, fraud, and failure—and bring full transparency with clear performance metrics for every dollar spent. Until we can prove we're delivering better results, he won't ask taxpayers for more.

And if the legislature tries to raise taxes before we fix how we spend, Governor Mahan will veto it.

## 2. ENFORCE ACCOUNTABILITY FOR RESULTS BY LINKING FUTURE PAY INCREASES FOR POLITICIANS AND TOP LEADERS TO BETTER OUTCOMES

One of the most successful state laws ever passed in California said that legislators wouldn't get paid unless they passed a budget on time. Before that reform, state budgets were chronically late. Since then, they have always been on time. While there were other factors that also led to more timely budgets, incentives work.



### Homelessness Grows Despite Unprecedented Spending

**FACT:** Despite tens of billions spent on housing and homelessness programs, state audits repeatedly found limited evidence that programs were achieving results or even tracking outcomes.



Source: LAO, 2025-2026 Budget: Oversight of Encampment Resolution Funding, 2025; California State Auditor, Homelessness in California The State Must Do More to Assess the Cost-Effectiveness of Its Homelessness Programs, 2024

As governor, Matt Mahan will work with the legislature to establish clear, measurable goals. The unemployment rate is measurable, so too is the poverty rate, housing costs, energy costs, and the number of unsheltered homeless neighbors. He will create clear goals, reasonable timelines, absolute transparency, and then hold himself, the legislature, and all 3,000 of his appointees accountable with a new law that says unless there is progress made, politicians shouldn't get raises. Starting with him.

Matt knows this will be hard. In San Jose, this was one of the few things he tried and failed to implement. He asked his City Council to pass a similar law and it was defeated. He is ready to fight for and win this foundational reform statewide.

You do not get a raise if you fail at work. The same should be true for politicians, starting with the governor.

**CALIFORNIA'S STATE BUDGET HAS GROWN BY NEARLY \$150 BILLION DOLLARS OVER THE LAST SIX YEARS, A 75% INCREASE. BUT THE STATE IS NOT 75% BETTER. IN FACT, ON MANY KEY METRICS, CALIFORNIA IS FALLING BEHIND—AND OUR MOST VULNERABLE RESIDENTS ARE PAYING THE PRICE.**

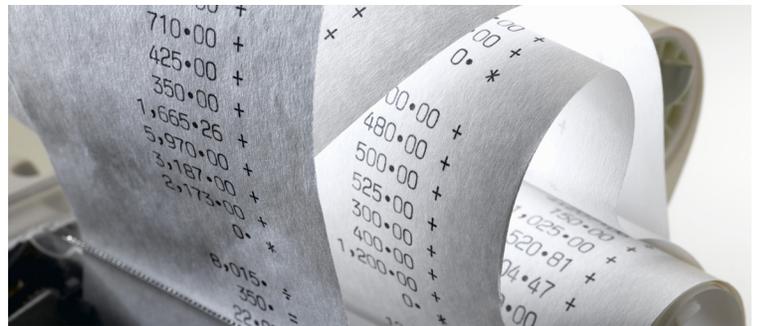
### **3. CREATING THE TOOLS TO TRACK RESULTS**

**AS THE ONLY CURRENT EXECUTIVE LEADER IN THE RACE, MATT WILL DO WHAT HE'S DONE IN SAN JOSE: DEMAND RESULTS. BECAUSE MORE MONEY DOESN'T DRIVE BETTER OUTCOMES—BETTER POLICIES DO.**

In San Jose, the city was spending millions on outreach workers who were helping, on average, one person exit homelessness per month. The problem was clear: there weren't enough beds to refer people to. Matt rebalanced the approach by reducing outreach spending, increasing shelter capacity, and deploying a smaller, more effective team. The result? Outreach workers became far more productive because they actually had somewhere for people to go.

He'll take the same line-by-line approach to state spending and couple that with comprehensive reforms, including:

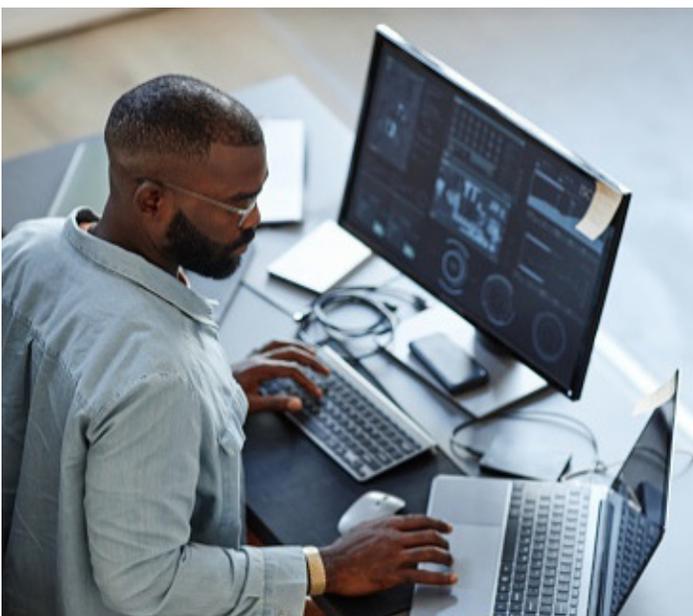
- ▶ **Implement a Statewide Performance Management System: The "California SMART Act."** California lacks a unified system for measuring the performance of its state agencies and programs. This makes it impossible to know what's working, what's not, and where taxpayer money is being wasted. Mahan will implement a statewide performance management system modeled on Colorado's successful State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act. Every state agency will be required to develop a public-facing performance plan with clear, measurable outcome objectives. These plans will be tracked on a public dashboard, providing real-time data on



agency performance and progress towards their goals. This initiative will be championed by a new Chief Performance Officer, reporting directly to the Governor.

- ▶ **Launch the “California Performance Review.”** Mahan will launch a top-to-bottom “California Performance Review” of every state agency, modeled on the highly successful Texas Performance Review of the 1990s, which saved taxpayers over \$10 billion. This review will be led by an independent, bipartisan commission and will actively solicit input from frontline state employees, who know best where the inefficiencies lie. The review will produce actionable recommendations to eliminate waste, streamline operations, and improve service delivery.
- ▶ **Mandate Zero-Based Budgeting.** The current budget process starts with the previous year’s budget and adds to it, leading to incremental growth and a lack of scrutiny of existing spending. That’s why Mahan will implement Zero-Based Budgeting (ZBB) statewide, requiring every state agency to justify its entire budget request from scratch each fiscal year. This approach, successfully pioneered in Georgia, forces a rigorous evaluation of every program and expenditure, ensuring that taxpayer dollars are allocated to the highest-impact priorities.
- ▶ **Overhaul State Procurement.** California’s procurement process is complex, slow, and often fails to secure the best value for taxpayers. This stifles innovation and leads to inflated costs. Mahan will modernize state procurement by implementing a “Best Value” contracting system that prioritizes not just the lowest price, but also quality, innovation, and long-term value. He will also expand the use of cooperative purchasing and shared services to leverage the state’s buying power and reduce costs, following the lead of states like Ohio.

**MAHAN UNDERSTANDS THAT THE KEY TO MEASURING THESE RESULTS WILL BE TO HAVE THE BASIC INFORMATION TECHNOLOGY IN CALIFORNIA FINALLY UPGRADED TO MODERN STANDARDS.**



**Mahan understands that the key to measuring these results will be to have the basic information technology in California finally upgraded to modern standards.**

California is home to Silicon Valley and the nation’s most innovative technology companies and yet the state’s digital infrastructure is deeply flawed. We’ve seen program after program delayed, burdened with cost overruns, or simply abandoned after years of development.

It’s an embarrassment. And more than that, it is one of the key reasons we spend so much and get so little. We simply can’t manage what we can’t accurately measure and the deeply flawed IT infrastructure is a foundational issue when it comes to finding fraud, rewarding success, and refusing to fund failure. We can’t do any of that until we can accurately measure performance and have good data.

To address this foundational management issue, Mahan will deliver on a major IT modernization initiative to replace legacy systems with modern, cloud-based platforms. He will also fully deploy the “California Digital Service,” which is modeled on the successful federal 18F and U.S. Digital Service programs, to bring top tech talent into government to build user-friendly, efficient, and secure digital services for all Californians.

Once our data systems and structures meet modern standards, Mahan will launch the California Management Performance Hub (MPH), modeled on Indiana’s groundbreaking data agency. This central hub will securely integrate data from across state agencies, providing a unified view of government operations. The MPH will leverage AI and machine learning to conduct sophisticated fraud detection, analyze program effectiveness, and provide data-driven insights to policymakers. A public-facing data portal will provide unprecedented transparency into government spending and performance.

## **4. DEPLOY THE TOOLS THAT HELP STATE GOVERNMENT DO BETTER**

**MOST CALIFORNIANS HAVE HEARD ABOUT THE MASSIVE FRAUD AT CALIFORNIA’S EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD), WITH MORE THAN \$32 BILLION STOLEN.**

But the fraud doesn’t end there. The State Auditor continues finding billions of unaccounted for funds throughout the state government, including disturbing patterns of continued theft at the EDD and other agencies. These are funds that could be spent to bring the homeless indoors, fill potholes, prevent wildfires, teach our children, create new housing our families can afford, and other vital priorities. But sadly, too many California politicians ignore or even deny the existence of this fraud. They claim that targeting fraud is a Republican talking point. The opposite is true.

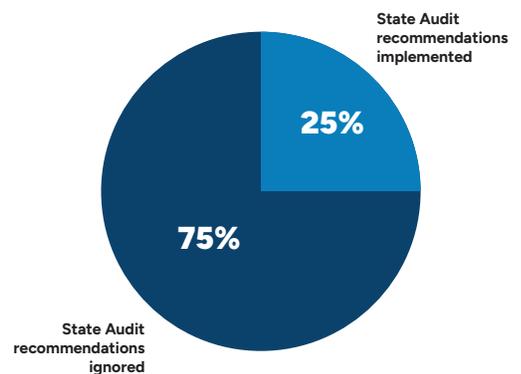
Because when the California state government doesn’t work, and when our money is being stolen, it is working people who pay the highest price.

That’s why Governor Mahan will implement a five-point anti-fraud plan to recapture these funds and use them for our highest priorities. He will:

- ▶ **Use savings from the Governor’s own budget to create the office of an Independent Inspector General** with real power to investigate and uncover fraud without political influence. The IG will be an independent, non-partisan office with a mandate to follow the facts and hold wrongdoers accountable. The federal government’s Inspector General system has a proven track record, saving taxpayers over \$71 billion in FY2024 alone.

### **Lawmakers Ignored Most State Audit Warnings**

**FACT:** Lawmakers failed to enact 3 out of 4 State Audit recommendations since 2015.

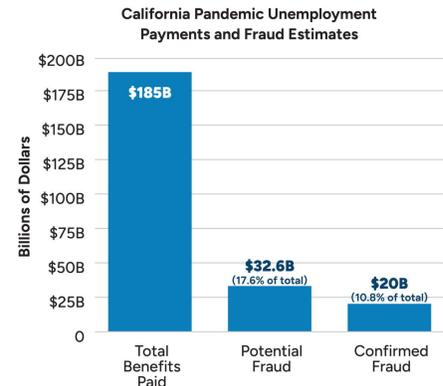


Source: CBS, They didn't just ignore audit warnings — California lawmakers quietly killed dozens of audit-backed bills, 2026

- ▶ **Adopt the proven anti-fraud technologies** that are working in the private sector and now in parts of government throughout the nation. The world's most innovative companies are using AI fraud detection tools to spot patterns and dramatically reduce theft, saving billions. With appropriate privacy protections, the state should adopt best-in-class detection tools.
- ▶ **Mandate that all state agencies publicly respond to audit findings within 60 days**, with a clear plan of action to address the identified problems. He will also create a public dashboard to track the implementation of audit recommendations, ensuring that these valuable insights lead to real change.
- ▶ **Beyond the executive branch, Governor Mahan will propose a new law that requires the state legislature to review and vote to accept or reject the recommendations of the State Auditor.** Right now, California state lawmakers simply fail to act on 75% of the State Auditor's recommendations. Mahan will insist on action from these audits.
- ▶ **State agencies and programs often exist in perpetuity, even if they are no longer effective or necessary.** Mahan won't be afraid to ask the simple questions: Why do we need this law, this agency, this level of duplication? He will undertake a review of every function and agency with an eye towards consolidation and savings. He will create a "Sunset Review" Commission, modeled after the successful Texas Sunset Advisory Commission. This independent body will review every state agency on a rotating basis to determine if it is still needed. The commission will have the power to recommend the consolidation, restructuring, or elimination of agencies and programs, subject to legislative approval. This will ensure that our government remains lean, effective, and responsive to the changing needs of Californians.

## California's Unemployment Fraud Cost Taxpayers Billions

**FACT:** Roughly 1 in 6 pandemic-era unemployment dollars may have been fraudulent.



Source: KCRA3, Analysis shows California EDD fraud at \$32.6 billion and counting, 2022

**THE STATE AUDITOR CONTINUES FINDING BILLIONS OF UNACCOUNTED FOR FUNDS THROUGHOUT THE STATE GOVERNMENT, INCLUDING DISTURBING PATTERNS OF CONTINUED THEFT AT THE EDD AND OTHER AGENCIES.**

## **5. MAKE SURE SACRAMENTO IS LISTENING TO THE PEOPLE, NOT JUST THE POWERFUL**

**THERE ARE OVER 2,000 LOBBYISTS IN SACRAMENTO, AND INTEREST GROUPS SPEND HUNDREDS OF MILLIONS OF DOLLARS ELECTING STATE LEGISLATORS AND OFFICERS.**

The system is deeply influenced by these special interest donations and that's one of the key reasons the system is so broken. Mahan will fight to restore balance and give voters and taxpayers a greater voice by:

- ▶ **Enforcing the law**, long ignored, requiring regular audits of all lobbying activity.
- ▶ **Strengthening revolving door restrictions** by requiring longer cooling-off periods before regulators or senior officials can work for industries they oversaw or awarded contracts to.
- ▶ **Creating full transparency on contracts and lobbying** by creating a public database showing government contracts, campaign donations, and lobbying activity so taxpayers can see how money flows through Sacramento.

## Conclusion

### **MATT MAHAN KNOWS WE CAN DO BETTER, WITHOUT HAVING TO ALWAYS ASK FOR MORE**

Matt Mahan grew up in Watsonville, a small farming town on the Central Coast. His dad was a mailman and his mom was a teacher, and he knows what it's like for a family to have to make financial sacrifices. Since the state budget has risen by nearly 75% in the last six years without getting better results, Matt would not ask Californians to pay more in taxes until the state government does better with existing funds.

That's the approach he has taken in San Jose, working every day to make government work better and deliver more, without always asking residents to pay more. San Jose has built more safe and dignified shelter than any city on the West Coast and is lowering unsheltered homelessness faster than any city in California. Under Matt's watch it became the safest big city in America. And Matt worked with his fellow council members to cut red tape, bureaucratic delays and high local fees on housing—and now thousands of new homes are under construction.

He knows people work hard for their money and have the right to expect real results in return. That will be his mission as governor—to make sure Sacramento does better before we ask hardworking Californians to pay more. If you agree, join us at [www.MahanforCalifornia.com](http://www.MahanforCalifornia.com).



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